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West Europe Report

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17 January 1984

WEST EUROPE REPORT

CONTENTS

ARMS CONTROL

FINLAND

Non-First Use of Nuclear Arms Confirmed (HELSINGIN SANOMAT, 11 Nov 83)	1
Koivisto's Concern Over Cruise Missiles in West Europe (HELSINGIN SANOMAT, 12 Nov 83)	3
Colonel Claims Finland Lies Away From Missiles' Route (HELSINGIN SANOMAT, 12 Nov 83)	5

SWEDEN

Bodstrom Reports Response From East, West on 'Corridor' (DAGENS NYHETER, 10 Dec 83)	7
Warsaw Pact Positive 'In Principle', by Dick Ljungberg Paper: Idea 'Ahead of Its Time', Editorial, by Per Jonsson	

POLITICAL

BELGIUM

Profile of Flemish Environmentalist Party Leader (Frans Verleyen; KNACK, 16 Nov 83)	10
--	----

DENMARK/GREENLAND

Murder, Suicide Becoming Serious Social Problems (Michael Rastrup Smith; BERLINGSKE TIDENDE, 17 Dec 83) ...	14
--	----

FINLAND

Vayrynen Explains Country's UN Vote on Grenada Resolution (HELSINGIN SANOMAT, 11 Nov 83)	15
---	----

	Text of Kuoppa's Remarks Calling for 'Study' of Cruise Missiles (KANSAN UUTISET, 8 Dec 83)	17
NORWAY		
	USSR Foreign Ministry Official Warns of Worsening Links (Per Brunvand; ARBEIDERBLADET, 3 Dec 83)	20
SPAIN		
	Spanish Political, Economic Impact in Latin America (Jose V. Colchero; YA, 13 Dec 83)	22
MILITARY		
DENMARK/GREENLAND		
	Minister Answers Parliamentary Interpellation on U.S. Bases (GRONLANDSPOSTEN, 7 Dec 83)	25
	Pan Eskimo Organization to Monitor U.S. Radar Line Plans (GRONLANDSPOSTEN, 7 Dec 83)	26
	Additional Details Reported on Suspected East-Bloc Subs (AKTUELT, 13 Dec 83)	28
FRANCE		
	Giscard d'Estaing on Nuclear, Conventional Defense Policy (Valery Giscard d'Estaing Interview; LE FIGARO, 12 Dec 83)	29
	UNOR 51st Congress Stresses Civil Defense Role for Reserve Cadres (I.M. Jean Louy; ARMEE ET DEFENSE, Sep/Oct 83)	39
	Hernu Pledges Continued Deployment of Nuclear Forces (LE MONDE, 18 Nov 83)	42
	PSU Criticism of Hernu's Defense Policies, NATO Links (LE MONDE, 18 Nov 83)	44
ECONOMIC		
DENMARK		
	Coalition Parties' Economic Policy Seen Paying Off (Frank Dahlgaard; BERLINGSKE TIDENDE, 16 Dec 83)	45
	Gains Seen in Most Categories Investment Growth Higher Than Expected Industry Economists Optimistic	

DENMARK/GREENLAND

Confidence Seen in Country Getting Special EC Trade Status (Kermit Norlund; BERLINGSKE TIDENDE, 20 Dec 83)	52
Minister Hopes Cryolite Mining Can Finance Industry Projects (Michael Ehrenreich; BERLINGSKE TIDENDE, 14 Dec 83)	54

FINLAND

Latest Economic Forecast by Finance Ministry Is Optimistic (HELSINGIN SANOMAT, 11 Nov 83)	55
--	----

GREECE

SDP's Pasmazoglou on Economy, EEC, PASOK Policy (I KATHIMERINI, 1 Dec 83)	57
Athens Chamber of Commerce on 'Blows to Industry, Trade' (I KATHIMERINI, 6 Dec 83)	61
Government Goals in Science, Technology Fields (I KATHIMERINI, 9 Dec 83)	63
Bill Increases Government Mining Intervention (I KATHIMERINI, 9 Dec 83)	64

ENERGY

DENMARK/GREENLAND

Plans Advancing for Start of Oil Search Off West Coast (Peter Kjelstrup; BERLINGSKE TIDENDE, 21 Dec 83)	66
Minister on Greenland Affairs Comments on Drilling Plans (Tom Hoyem; BERLINGSKE TIDENDE, 23 Dec 83)	70

FINLAND

Resumption of Oil Buying From Iraq Is Possible (UUSI SUOMI, 2 Dec 83)	72
--	----

TURKEY

Balance Sheet on Import, Production of Electricity (DUNYA, 24 Nov 83)	73
--	----

ENVIRONMENTAL QUALITY

GREECE

Toxic Substances Detected Off Elefsina (TA NEA, 29 Nov 83)	75
---	----

NON-FIRST USE OF NUCLEAR ARMS CONFIRMED

Helsinki HELSINGIN SANOMAT in Finnish 11 Nov 83 p 11

[Article: "Finland Supports First-Use Ban in UN"]

[Text] Finland intends to vote for the UN General Assembly ban on the first use of nuclear weapons, stated special presidential foreign policy advisor Jaakko Kalela on Thursday in clarifying the bewildering statement that Koivisto himself did not take a stand in his UN speech on the doctrinal dispute on NATO's so-called first-use doctrine.

The Foreign Ministry had already previously announced that Finland intends to vote for the resolution regarding the ban on the first use of nuclear weapons at the UN General Assembly. A year ago Finland abstained.

Considerable confusion arose in political circles and in the press when Kalela stated on Monday in his speech to the national defense seminar that the president had not taken a stand in his UN speech on the controversial first-use doctrine of nuclear weapons.

The president had only demanded the prohibition of all nuclear weapons since even the most limited use for purposes of revenge would in a crisis situation presumably result in a full-scale nuclear war. According to Kalela, this statement does not, however, represent a stand on NATO's internal doctrinal dispute, but is a logical conclusion to the impossibility of a limited nuclear war.

Principles and Applications

In a clarification given to the press on Thursday Kalela pointed out that he had only related what the president had said at the UN. He did not proceed to predict what consequences the president's position in principle could have in various connections.

"I confirmed that President Koivisto took a stand in principle that the use of nuclear weapons in all forms should be banned. The phrasing 'the use of nuclear weapons in all forms' should naturally also include the concept of first use. The president's stand is one of principle and it will be applied in accordance with each causal relationship," stated Kalela in his explanation.

"If, for example, a resolution on a ban on the first use of nuclear weapons is to be discussed in the UN General Assembly in the same form as in the fall of 1982, Finland will vote for such a resolution, as has already been announced by the Foreign Ministry."

However, Kalela once again emphasized that the president's speech did not contain a stand on military doctrine nor on the doctrinal dispute being conducted in NATO-countries on the first use of nuclear weapons.

Kalela thus attempted to refute interpretations that Koivisto had taken a stand on a sensitive superpower policy question in his UN speech.

10576

CSO: 3617/42

KOIVISTO'S CONCERN OVER CRUISE MISSILES IN WEST EUROPE

Helsinki HELSINGIN SANOMAT in Finnish 12 Nov 83 p 12

[Article: "Koivisto to French Press: Cruise Missiles A Difficult Issue"]

[Text] A neutral country should be able to defend the inviolability of its own territory against overflying cruise missiles also, stated President Mauno Koivisto in an interview given to the French newspaper LE MONDE. He concedes that this requirement is difficult.

In the long interview Koivisto was asked about a stand concerning Finland with respect to a statement made in a recent interview given by Soviet General Tatarnikov, according to which the Soviet Army would in a crisis situation consider Sweden to be a country waging war if Euro-missiles were to violate its airspace.

According to Koivisto, the question of the attitude of neutral countries with respect to countries waging war is old. "Nevertheless, the problem is partly new in that previously there were no cruise missiles.

"The timeliness of the problem lies in the fact that there are weapons such as cruise missiles which fly slowly and at a low altitude, and they could in principle be destroyed," states President Koivisto.

"Ballistic missiles do not raise the same problems, but, on the other hand, missiles fired from submarines or aircraft could place us in the same situation.

"In any event, a neutral country should be able to defend its own territory and inasmuch as is possible to prevent even a portion of its territory from being used by others," states President Koivisto.

Legal Aspect of Nuclear Weapons

The LE MONDE interviewer also referred to the observation in Koivisto's UN speech that Finland will not permit nuclear weapons on its territory. Is there any ambiguity in this matter, he asks.

"In Finland we have conducted an academic discussion around this issue," answers Koivisto and continues: "From a legal point of view nuclear weapons could in certain instances be deployed on our territory. For this reason I repeated in the UN that which I have always said in parliament.

"But in so far as a nuclear-free Nordic zone becomes a reality, the legal and not just the political aspects of this issue will be clarified," states Koivisto in reiterating an answer given to an interview in HELSINGIN SANOMAT last spring.

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CSO: 3617/42

COLONEL CLAIMS FINLAND LIES AWAY FROM MISSILES' ROUTE

Helsinki HELSINGIN SANOMAT in Finnish 12 Nov 83 p 12

[Article: "Finland Not on Missile Route"]

[Text] A defense against cruise missiles is made difficult by the fact that they are not easily detected, but the Euro-missiles soon to be deployed in England will most likely not violate Finnish airspace according to the experts.

Taking weapons technology, the properties of cruise missiles, and the overall nuclear balance into consideration "it would seem especially improbable that any cruise missiles would be directed over Finnish territory from England to targets on the Kuola [Kol'skiy] Peninsula, states Lieutenant Colonel Gustav Hagglund, general secretary of the Defense Council.

In the near future cruise missiles, whose range is 2,500 kilometers, will be deployed at two military bases in England. This range is sufficient to reach the Kuola Peninsula.

Hagglund, who has studied nuclear weapons and missile questions, states, however, that for three reasons it is possible to come to the conclusion that cruise missiles will probably not violate Finnish airspace.

In the first place, the Euro-missiles in question will be deployed namely as a counterweight to the Soviet SS-20-missiles and to other nuclear weapons deployed in its western regions. "From there one can find many targets for these (NATO) missiles," states Hagglund.

"On the other hand, the Soviet bases on the Kuola Peninsula can be reached much more easily by strategic nuclear weapons, of which the United States has more than 9,000."

Because of the properties of strategic nuclear missiles, the Kuola area would be a logical target for them, states Hagglund. Since "the distances would be much closer from the Norwegian and Barents seas".

As a third reason he mentions that "it would seem to be militarily stupid" to aim cruise missiles from England at the Kuola Peninsula through the airspace of the Baltic Sea as well as Sweden and Finland.

A Flying Time of Several Hours

During a flight pattern lasting several hours the cruise missiles would thus be exposed to Soviet as well as Swedish and Finnish surveillance and defensive actions.

However, if a decision is made to use cruise missiles, the better alternative would be to send them along the coast of Norway under the protection of the Koli Mountains. "Then the Soviet Union would not know anything about them until they suddenly appear around the area of the Nordic cap."

The defense against cruise missiles is not in itself "terribly complicated" according to Hagglund. The difficulty lies in their detection. The missiles fly at a very low altitude following the lay of the terrain. In addition, they are coated with a material that absorbs radar rays so that their detection is made quite difficult.

On the other hand, he points out that NATO has already previously announced that cruise missiles would not be directed at targets in the Kuola Peninsula, but Finnish officials have no opportunity to confirm this since "the routes and targets are secret".

10576

CSO: 3617/42

BODSTROM REPORTS RESPONSE FROM EAST, WEST ON 'CORRIDOR'

Warsaw Pact Positive 'In Principle'

Stockholm DAGENS NYHETER in Swedish 10 Dec 83 p 6

[Article by Dick Ljungberg]

[Text] If the governments had responded to our poll concerning a nuclear-free corridor in Central Europe now rather than around the end of last year, the responses would probably have been more positive.

This was the opinion expressed by Foreign Minister Lennart Bodstrom when he reported Friday on the results of the inquiry that the government conducted among 28 nations.

It was almost exactly a year ago that the government issued an inquiry to countries in Europe along with the United States and Canada concerning positions on the so-called Palme Commission's proposal of a corridor in Central Europe free of battlefield nuclear weapons.

The proposal suggests a corridor that would be 300 kilometers wide--150 kilometers on each side of the border between NATO and Warsaw Pact countries. The idea behind the proposal was to attempt to prevent the early use of so-called tactical nuclear weapons in war. The Palme Commission and the government do not believe that a nuclear war can be limited.

All 28 nations responded to the inquiry, but two countries requested "anonymity," reported Bodstrom. The responses are thus reported wholesale for three groups: the neutral and nonaligned countries, the Warsaw Pact countries and the NATO countries.

Positive

DAGENS NYHETER has already reported earlier in summary on the positions. Most neutral and nonaligned nations favor the proposal, claiming that it would increase the nuclear threshold and promote the reduction of tension in the area.

The NATO countries have a number of reservations. They think that the proposal would lower the nuclear threshold. Nuclear weapons are kept in readiness as deterrents. A corridor could make it possible to examine the risks of an attack and be seduced into believing that surprise attack based on conventional superiority could promise success in this zone. It would lower the threshold of aggression.

The Warsaw Pact countries favor the corridor in principle but wish to widen it to around 250 or 300 kilometers on each side of the border. This is considered negotiable, however, according to the information of the Ministry of Foreign Affairs.

At a press conference on Friday, Bodstrom said: "The views on the proposal came in around the end of 1982 and the beginning of 1983. We would possibly have gotten different answers today. We delivered the summary of the responses today to the countries involved, and several ambassadors have declared that their countries' views might be revised and returned. I think that we have attained the objective of promoting a discussion regarding the proposal.

The Bahr Affair

In the Foreign Affairs' document, there is reference only to the issued questionnaire being based on the Palme Commission Report. In the sequel to the so-called Bahr affair last spring--about whether the West German politician Egon Bahr directly influenced the content of the Swedish government's proposal--a dispute occurred on interpretation. This revolved around linking Palme's nuclear-free corridor with reductions in conventional armaments.

Bodstrom dismissed the differences in the interpretations as follows. "We have never attempted to conceal the fact that the origin of our inquiry was the Palme Commission proposal. Those who wish to seek differences have gone down a one-way street. In the responses, no government questioned whether there is such a difference."

Bodstrom states that there are no plans on Sweden's part to take up the corridor proposal during the Security Conference in Stockholm. But if some other country does wish to, he will welcome it.

Paper: Idea 'Ahead of Its Time'

Stockholm DAGENS NYHETER in Swedish 10 Dec 83 p 2

[Editorial by Per Jonsson: "The Corridor--Ahead of its Time"]

[Text] It would be wrong to declare dead the Swedish government's--originally the Palme Commission's--proposal of a 300 kilometer-wide corridor in Central Europe free of so-called battlefield nuclear weapons. The very idea of placing brakes on just those nuclear weapons that would likely be first used

possesses an irresistible logic that even many of those sceptical towards the corridor proposal should be able to accept. But to judge from the reactions around the world to the year-old Swedish corridor initiative, it appears that it will not be on the debate agenda of the Central European Security Conference.

When Foreign Affairs Minister Lennart Bodstrom reported Friday on the official responses of 28 nations to an inquiry, the picture portrayed earlier in the mass media was essentially confirmed. Indeed, most foreign governments express in general terms their appreciation for the corridor initiative, but only a handful of the nonaligned countries plus the NATO member Greece seem fully to support the Swedish arrangement.

Warsaw Pact countries, too, claim to share the idea that a nuclear-free corridor in Central Europe would "raise the nuclear-weapons threshold," and contribute to reducing tension and increasing trust among the nations and military blocs of Europe. But at the same time, they have--intentionally?--misunderstood the proposal's value as a "trust-building measure" as shown by their propaganda initiative to establish a corridor width of 600 instead of 300 kilometers. This would include the whole of West Germany and of course be inconceivable for NATO. Even though the Warsaw Pact now appears to have backed off somewhat regarding the width of the corridor, the recent Soviet deployment of battlefield nuclear weapons in East Germany and Czechoslovakia hardly gives the impression of serious interest in the East for the corridor proposal.

There has been criticism in NATO all along. Primarily, it is claimed that a corridor on the Swedish model could reduce the credibility of NATO's deterrence doctrine, which in fact currently presupposes early use of battlefield nuclear weapons against conventional attack. But there are serious discussions within the Western Alliance on replacing such nuclear weapons with advanced long-range conventional weapons. The decision at the NATO meeting in Ottawa recently to reduce unilaterally their own battlefield nuclear weapons in Europe was undeniably a step in the right direction. Yet, it can hardly be regarded as in the same rank with Sweden's corridor proposal.

Hence the--to say the least--lukewarm reactions of those most concerned. It is thus wise of the Swedish government to confirm now that there is no plan to take up the matter of the corridor at next year's Stockholm Conference. It is no doubt a first-class example of so-called trust-building measures that aim to reduce the risk of war in Europe. However, it is apparently all too advanced in the current situation of firmly rooted mistrust between the East and West.

9992

CSO: 3650/70

PROFILE OF FLEMISH ENVIRONMENTALIST PARTY LEADER

Brussels KNACK in Dutch 16 Nov 83 pp 86, 87

/Article by Frans Verleyen: "Predilection For Soft Scandals. The Greens Reject Not Only the Production Process But Also the Products"; passages enclosed in slantlines printed in italics]

/Text/ He is now the most prominent figure of the Flemish Green Party with the unfortunate name of Agalev. First there were many difficult years of laying out a course. /Ludo Dierickx/ (54) of Antwerp thought he had all sorts of political and social energy in him but he could not immediately find the right outlet for it. For half a lifetime it was /Europe/ and the leading federalist philosophies on the basis of which the idealists of the 1950's and 1960's dreamed up their Europe of nations and foundation democracies. But in the end the first workers were overtaken by the "classic" professional politicians who made their EEC: a community of national states, administrations, taxes, industries, farmers, unions and mountains of butter.

Since then there have been two Europes: one of the technocracy and the other of the fraternity with many members which meets at conferences or festivals. Real politics have never been able to develop as among others, is noticeable at defense issues. Besides, it is not the purpose of the European idea to settle interest conflicts in a society of 250 million people. So, within that idea there are many ideological variants: there are communist Europeans as well as Europeans of the extreme Right.

It is not quite clear where Van Dierickx's position is in this spectrum, but whose is? Over the past years many people have got to know him as not very much of a conformist and a somewhat restless person who wanted to "act." The fact that he is also the husband of a very European artist, /Eva Maria/, is considered to be a nice biographical footnote.

He studied law in Ghent, later on attended the Europe College in Brugge and the Brussels University (ULB) where he published a thesis on the European integration process. After an earlier, short career in the cabinet (1961-65) he became director of the Association of Public Medical Institutions in 1968. Somewhat fearful, he had to give up that position after he was elected representative for /Starting to Live Differently/ in 1981. However, this explains the relatively large interest Agalev has in health care and the power base of the health

associations in health care. For the rest, many years Dietrickx worked in the small halls of the European Study Center (Antwerp) and up to 1972 as secretary general of the European Federalist Movement.

The fact that he did not end up in the "regular" parties, may be attributed to historic coincidence. He was not or hardly asked. But he had ambition, really worked hard and looked around nervously to see whether a breakthrough might be possible somewhere. The fact that he finally joined the "Green Danger," as he once said himself smilingly, was not even illogical. In its initial stage the ecological movement mainly developed and manifested itself by way of European idea-channels. It became well-known under its French /(Ecolo)/ as well as German name /(Grunen /Greens/)/. When Dietrickx refers to authors of the Greens, he usually refers to the Germans.

Last week Dietrickx made history in the Belgian Parliament. After the big missile debate his bill on the simple /ban/ on more nuclear weapons on Belgian territory was just as simply /defeated/ by the majority parties. The Walloon socialists abstained in this matter. He will probably never face such a large audience again as when he held his speech against the present military-technological infatuation. Tomorrow he will be sent back to the rear again as a small representative of a small party.

Yet, in parliamentary press reports he has scored good points a couple of times. In the very informal, somewhat amateurish, political apparatus without a chairman, namely the Flemish Greens, he is the only who can find his way in the Wetstraat procedures relatively quickly. The time when he went to the House on his bicycle, has already passed. He rather takes the train in order to read or talk.

/Green Is The Slope/ is the title of the book (publisher Soethoudt & Co) in which he recently attempted to sum up politics of the Greens' outlook on life. It is not his first publication at all but this time it will find its way to a larger audience. According to the polls the number of Green future voters is growing. This is particularly to the disadvantage of the Christian Democrats who have already disillusioned too many "soft" supporters. In Flanders the CVP /Social Christian Party/ is naturally worried about that phenomenon. During the missile debate ACV /Confederation of Christian Trade Unions/-representative Mrs /Miet Smet/ was even talking about the "terror" with which Agalev is going to spread the word that people should no longer vote for the CVP /Social Christian Party/.

No matter which way, the "old" political parties will in any case have to find an answer to the Green movement. It starts to look--certainly for those looking at the West German example--like it is not a matter of a misunderstanding which can be solved. The Greens are sending a clear signal. It cannot yet be deciphered all the way in a political-ideological sense but it can be deciphered /in a sociological sense/. The Green movement is talking about things which are on the minds of large groups of the population.

It is about hasty productivity, arms race, /power abuse/ in public and private decisionmaking, the large scale of industry threatening man's way of life, urban

loneliness, decline in food and quality, use of robots, inaccessibility of political and scientific knowledge, not being able to meet so many needs in a world which is so rich. The basic question is about as follows: should we make a new agreement on the type of wealth we actually want?

In order to reach that agreement the Greens will have to move many more mountains. For, Western man is very schizoid with regard to the production process and his material, social and political goals. He desires the /good stuff of an affluent society/ but also suffers because of the price he has to pay for it. Besides, the Western labor movement considers its struggle for more material development not yet finished by far.

In his /Green Is The Slope/ Dietrickx tries in particular to put matters straight with that labor movement, one may say the socialist ideal. For, he is aware of the criticism that Agalev's supporters (and such in Europe) are very heterogeneous. "There is nothing that keeps you all together. You come from all wind-directions. There are nonbelievers, employed, unemployed, wealthy and less well-to-do Greens. You are not united by religious faith, philosophy of life or language. You do not have a socioeconomic base. You do not belong to a class like the laborers, not to a professional category or an income group."

The author took that problem seriously and went looking for a common denominator, the absolute agent uniting all Green people. His conclusion is a "very specific relationship--shared by all--to the power structures." That central idea is experienced in a specific expression mode: by way of support groups, peaceful, "with a predilection for creating soft scandals" like for instance Luk Versteyleen. Agalev even practices nonseriousness in parliament. Think for instance, of the Agalev bill of Senators /Pierre va Roye/ and /Marjet van Puymbroek/ to set up a state authority for done and undone matters" and authorized to "classify, freeze and bury all files entrusted to it" (1 March 1983).

As far as the relationship of the Greens to the labor movement is concerned, Dietrickx reached the following conclusion: The labor movement which achieved unity after a historic process, has not accepted the /production system/ as a relationship between capital and labor, until this very day. It does accept the extension of the production forces (people, machines) and the production of wealth--which has to be divided more fairly, however. The Greens, Dietrickx says, go one step further: they do not accept the /products/ produced by the system. Therefore, he regards the Green movement as "singular, disconcerting and revolutionary." Too much seeming and even negative "progress is dished out to the population; such as canals for pusher tugs, harbors which are too large, nuclear reactors, the LNG-terminal in Knokke-Heist, Eurochimic, weapon systems, massive medicine, /Flanders' Technology/, robots and microprocessors.... "Again and again two different views of wealth, prosperity and power are opposing each other."

Equality

According to Dietrickx the Green movement takes "a place in the secular struggle for equality and equal judgment. At the end of this century the founding movements in the Green movement appear as a continuation of the campaigns which were

previously carried on with varying success by those who declared that people are equal, equal in the eyes of God, in the eyes of the law and the judge, and equal with respect to access to worldly wealth. We dare to say that the Green movement continues this struggle and gives a new dimension to it."

One fool can pose more questions than 10 wise men can answer. Up to now that has been the answer of the political professional class to the Greens. But voting Dietrickx's nuclear weapon proposal down as a matter of course, has actually been a much more explicit answer.

12433

CSO: 3614/19

MURDER, SUICIDE BECOMING SERIOUS SOCIAL PROBLEMS

Copenhagen BERLINGSKE TIDENDE in Danish 17 Dec 83 p 6

[Article by Michael Rastrup Smith]

[Text] Last year there were 13 murders in Greenland. This large number would correspond to an annual murder rate of 1,300 people in this country.

This is shown by an annual report from the national doctor in Godthab, Greenland's highest medical authority. The report said that every third death in Greenland was due to unnatural causes.

"People up here do not die for the same reasons that people do in Denmark," said national doctor J. Boggild. "While Danes die in traffic accidents, people here die in drowning accidents. There is also a record high number of suicides and acts of violence up here. But this is not an isolated Greenland phenomenon. Everywhere in the Arctic region there is a record high number of suicides and assaults.

"It is the local Greenland population that is committing suicide on a large scale. The percentage of suicides among Danes is much smaller. The same thing is true in both Canada and Alaska. There it is in the group of 'natives' that a great many suicides are noted."

There were 437 deaths in Greenland last year. That corresponds to almost 1 percent of the population. Of this number, 264 were men and 174 were women. Only 286 died a natural death--79 died in accidents, 48 committed suicide, 13 were murdered while the cause of death was not given for 11 cases. Some 33 percent of the deaths occurred among young people from 15 to 24 years of age.

6578

CSO: 3613/63

VAYRYNEN EXPLAINS COUNTRY'S UN VOTE ON GRENADA RESOLUTION

Helsinki HELSINGIN SANOMAT in Finnish 11 Nov 83 p 11

[Article: "Finland's Neutrality Is Not Mechanical"]

[Text] Why did Finland vote for a resolution in the UN forcefully deploring the occupation of Grenada when it has consistently abstained in resolutions on Afghanistan and other similar incidents? On Thursday a week after the vote on Grenada Foreign Minister Paavo Vayrynen was finally prepared to answer this question.

In a written answer to MP Tuure Junnula's (Conservative) written question Foreign Minister Paavo Vayrynen stated that in comparing the Grenada and Afghanistan incidents it is possible to confirm many dissimilarities in addition to similarities.

In addition to the fact that the resolutions concerning Grenada and Afghanistan were not "completely the same in content" it was still more important according to Vayrynen to confirm that "in the General Assembly discussion on Afghanistan the confrontation between the superpowers and their allies was clearly delineated and the UN discussion thus became an especially forceful superpower dispute".

"The same level of antagonism did not appear in the Grenada question as even countries belonging to the same alliance voted in different ways," stated Vayrynen.

Thus Vayrynen appealed to the fact that some of the United States' NATO allies voted for the resolution in justifying Finland's voting decision. In the Afghanistan incident the Warsaw Pact remained as a united front and opposed the resolution directed at the Soviet Union. Indeed, Romania abstained from voting at that time.

According to Vayrynen, the position taken in the Grenada question did not deviate from our policy of neutrality and is not in conflict with Finland's previous voting behavior.

"Our aspiration to remain outside of superpower conflicts cannot be applied mechanically, but on the basis of the particular traits of each situation," states Vayrynen in his written answer.

In the answer reference was made to Finland's explanation of the vote, in which Finland's negative stand on the use of force in international relations was now brought up as in connection with Afghanistan and other similar incidents. The question is one of principles, which make up the most important nucleus in the standards of behavior between states, which determine international justice.

"It is not correct to compare the government's stands on various international questions of conflict solely on the basis of voting practice. When mere support, opposition, or abstention does not reveal the government's views with sufficient clarity, an explanation of a vote, in which the government's stand is precisely clarified, is then given."

200 Demonstrate on Behalf of Grenada in Helsinki

A pro-Grenada demonstration organized jointly among Finnish and Central American friendship societies drew an estimated crowd of 200 marchers to Helsinki's university square on Thursday evening. After hearing a greeting from writer Matti Ross and an assessment of the situation in the Caribbean area the demonstrator marched across town to the peace monument in Kaivopuisto.

Originally the intent was to conclude the demonstration in front of the U.S. Embassy, but the police did not grant a permit for this. A handful of the more enthusiastic did, indeed, leave the peace monument to shake the embassy fence and shout slogans.

A few even climbed over the fence and planted a Grenadian flag in the embassy garden. However, the police turned the demonstrators around and quickly removed the flag from the garden.

According to Finland's Grenada Committee, the purpose of the demonstration was to influence Finnish decisionmakers and public opinion so that the U.S. invasion of Grenada would be condemned more forcefully and demands would be made for the immediate withdrawal of foreign troops.

10576

CSO: 3617/42

TEXT OF KUOPPA'S REMARKS CALLING FOR 'STUDY' OF CRUISE MISSILES

Helsinki KANSAN UUTiset in Finnish 8 Dec 83 p 6

[Article: "MTV's Newscast: Rumor Mill; MP Mikko Kuoppa: 'Threat of Cruise Missiles Should Be Studied with Soviet Union'"]

[Text] The speech delivered by Mikko Kuoppa at the delegate conference of the SNS [Finland-Soviet Union Society] was subject in certain branches of the media to an interpretation in part irrelevant to, and unjustified by, the speech itself.

In the newscast on the Commercial Television [MTV] channel it was claimed that Kuoppa had suggested "military consultations" with the Soviet Union. It was on the basis of this that the MTV newscast was able to get SKP [Finnish Communist Party] chairman Jouko Kajanoja to dissociate himself from Kuoppa's speech.

The newspapers HELSINGEN SANOMAT, KANSAN UUTiset and ILTALEHTI also spread misinformation about Kuoppa's speech. HELSINGEN SANOMAT later corrected the news item it had picked up from the MTV rumor mill.

On the newscast of the Finnish Broadcasting Corporation's noncommercial channel, by way of contrast, Kuoppa's speech was quoted verbatim.

"Now that there has arisen the threat of our country's air space being used in an attack directed at the Soviet Union, it is necessary to investigate on the basis of the YYA [Friendship, Cooperation and Mutual Assistance] Treaty--and in collaboration with our cosignatory to that treaty--how the Euromissile threat can be repelled. The security of the northwest boundaries of Finland as well as the Soviet Union demands as much," said parliamentary representative Kuoppa at the delegate conference of the SNS.

"We need to state openly and clearly that under no conditions--and least of all after NATO's decision concerning Euromissiles--does speculation revolving around the YYA Treaty serve Finland's national interests. We cannot and must not read the YYA Treaty as if it were the "devil's Bible"; the treaty is rather a consistent and coherent whole, the interpretation of which has been officially agreed upon by Finland and the Soviet Union," emphasized Kuoppa.

"The significance of the YYA Treaty is not just limited to the mutual relations of Finland and the Soviet Union; one can legitimately claim that the treaty has become the foundation of Finland's policy of peace in foreign affairs. The treaty does, to be sure, oblige Finland to participate in all actions necessary for the maintenance of international peace and security.

"When the Soviet Union presented the YYA Treaty to Finland for ratification a good 35 years ago, the Cold War was raging hot. Finland was at that time the Soviet Union's only western neighbor (1) which had allied itself with Germany against the Soviet Union, and (2) with which it still had not concluded a treaty of friendship, cooperation and mutual assistance.

"The ratification of the treaty was not, however, free of problems, even though the Soviet Union's aim was to place our countries' mutual relations on a sound contractual basis and to guarantee that changes in the international situation would not negatively influence the new and still fragile friendship.

"And above all, the security advantages which both countries enjoy as a result of the ratification of the YYA Treaty prevent an attack by Germany and its allies on Finland or on the Soviet Union via Finnish territory.

"The parliamentary delegation of SKDL [Finnish People's Democratic League] immediately informed President J.K. [Juho Kusti] Paasikivi that it supported ratification of the treaty with the Soviet Union. The parliamentary delegation of the Social Democratic Party did not oppose negotiations in themselves, but did, on the other hand, object to the inclusion in the treaty of obligations dealing with military cooperation.

"The parliamentary delegation of the Swedish People's Party was prepared to negotiate; it felt that the treaty's military articles could be put into practice only in time of war and that they would oblige Finland's armed forces to operate only on Finnish territory.

"The other parties--the Agrarian Union, the Coalition Party and the Progressive Party--opposed both ratification of the treaty and negotiations with the Soviet Union, even though in all these parties there were also those who understood the necessity and inevitability of the treaty's acceptance.

"In the conservative press a campaign without precedent was organized against ratification of the treaty, a campaign which the Western press did its best to encourage with various rumors and lies. Nor was Finland able to avoid direct pressure from the West either.

"The events of the past 35 years have demonstrated the farsightedness of those Finnish parties and politicians who as early as the Cold War years were prepared to guide Finland into an alliance of friendship with the Soviet Union.

Conservative Interpretations

"At the same time, however, it is true that from time to time certain conservatives still want to interpret the YYA Treaty in such a way that, for all practical purposes, the treaty's central obligations are rendered insignificant. It is unfortunate that these newfangled interpretations of the YYA Treaty are also given space in the newspapers of political parties which are represented, for example, in the highest level of leadership of the SNS.

"In a world of international tension certain conservative circles more and more often have begun to label the YYA agreement 'Finland's neutrality treaty.' Finland's endeavor, as set forth in the preamble to the YYA Treaty, to remain outside the conflicts of the great powers is separated from the treaty's central obligations themselves; and an attempt is made to show that this endeavor is incompatible with these obligations," said Kuoppa in his criticism of conservative circles.

12327

CSO: 3617/57

USSR FOREIGN MINISTRY OFFICIAL WARNS OF WORSENING LINKS

PM080936 Oslo ARBEIDERBLADET in Norwegian 3 Dec 83 p 9

[Per Brunvand dispatch: "Colder Norway-Soviet Union Climate"]

[Text] Moscow--We are entering a period with a colder climate for cooperation between Norway and the Soviet Union. This must be seen as part of the Soviet Union's reaction to the deployment of new nuclear missiles in NATO countries. Talks and negotiations between Norway and the Soviet Union will take place in future in a tenser situation and a poorer atmosphere.

This was said openly to ARBEIDERBLADET by a spokesman for the Foreign Ministry in Moscow, Nikolay Chamortsev, who is deputy chief of the ministry's Scandinavian section. The Foreign Ministry representative, who was undoubtedly articulating the official view, was strongly critical of Norwegian foreign and security policy and in particular of the Norwegian decision to support the deployment of U.S. nuclear arms in Western Europe.

"The development of Norwegian-Soviet relations cannot be viewed independently of the general international situation. What is now happening in Europe cannot fail to also affect the relations between Norway and the Soviet Union," the spokesman said.

As an example of these relations, the upcoming talks on demarcation lines on the continental shelf in the Barents Sea were mentioned. The same applies to the normal consultations between the Soviet and Norwegian Foreign Ministries and the scientific, technical and cultural cooperation that has developed between the two countries.

"In a sense the development of cooperation over the years can justify a certain sense of satisfaction. However, we now feel that important factors are weakening the relations between our two countries and applying the brakes to cooperation," Nikolay Chamortsev said. He mentioned first and foremost the deployment of new Western nuclear arms and the Norwegian support for this measure, but also raised the question of the contingency stockpiling of heavy U.S. material, which the Soviet Union sees as a dilution of Norwegian base and nuclear policy, Norwegian involvement in electronic navigation systems and the use of Norwegian air bases. In addition Moscow considers that it has noted increased anti-Soviet propaganda in Norway and that a tougher attitude toward the Soviet Union is prevailing within the Norwegian Government.

"Sometimes it is incomprehensible that Norwegian politicians such as Prime Minister Kare Willoch, for example, can say that they want better relations and a reduction in tension in northern Europe, while at the same time they take practical political steps in conflict with such aims."

The Foreign Ministry spokesman claimed that a number of the governments which have backed deployment have done so in order to take part in President Reagan's "crusade" and to lay the foundation for an anti-Soviet policy. The present Norwegian Government is one of these.

"When the missiles are deployed in Britain, West Germany and Italy, this will naturally have an effect on our bilateral relations with these countries, especially West Germany and Britain. In the same context we must also look at our relations with other countries which have supported the United States on this issue. These include Norway which has participated in consultations. This has created a poor foundation for relations between our two countries."

The spokesman for the new Soviet attitude stressed that the Soviet Union will not freeze its relations with Norway. The country is still in favor of many-sided development of its relations with its neighbors. But a worsening international situation will also lead to a tougher dialogue between Norway and the Soviet Union. In future there will be a poorer atmosphere at talks between the two countries.

CSO: 3639/47

SPANISH POLITICAL, ECONOMIC IMPACT IN LATIN AMERICA

Madrid YA in Spanish 13 Dec 83 p 10

[Article by Jose V. Colchero: "In Latin America Spain Is a Political Giant and an Economic Dwarf"]

[Text] Buenos Aires—In Buenos Aires the Spanish chief of state pointed out that we do not have sufficient means and facilities to deal with the expectations that have been aroused.

The Spanish and Guatemalan presidents greeted one another, but did not talk about the reestablishment of diplomatic relations, broken off since the attack on our embassy.

In Latin America Spain is a political giant, but an economic dwarf. In Buenos Aires yesterday, at his last press conference before flying back to Madrid, Felipe Gonzalez said that "we do not have sufficient means and facilities to deal with the expectations that may have been given rise to." He reminded us that our foreign debt is also a large one (\$30 billion) and that there are over 2 million unemployed, and before about 100 reporters — Argentines and foreigners, especially from Latin America — warned that "Spain can do no more than its size permits."

These statements by the Spanish chief of state do not constitute discouragement of those who have pinned their hopes on the mother country, but a very necessary emphatic reminder so that Argentina and other countries do not later feel that they have been deceived, given the slim financial possibilities of co-operating with Latin America, just when this continent is going through a profound internal economic crisis. Gonzalez said that in the current international financial context Spain is simultaneously a debtor of the large nations and a creditor of the developing countries, especially in Latin America. In fact our big debtors on the international level are in the Spanish-speaking Americas, which are going through the most serious debt situation in the world.

Spain's Gain

Spain may right now have more prestige in Latin America than any other Western nation. Gonzalez' presence has constituted a gain for our international image. However, it has also led to the fact that expectations as to Felipe Gonzalez'

ability to provide aid may be growing here and that they may expect him to have a magic wand to resolve the continent's worrisome economic and financial problems as well as those that arise in the course of the processes of democratization of the dictatorships of Central and South America.

Gonzalez' meetings in Buenos Aires revolved essentially about the two great processes of democratization that are still unresolved in South America (Uruguay and Chile, since Stroessner's Paraguayan dictatorship does not appear to be under the direct fire of those who are advocating the introduction of free regimes on the continent) and particularly about the Central American crisis. President Gonzalez pointed out that he had at no time held positions with respect to Chile that might be regarded as interference or meddling in that country's affairs. He did not see the official representative of the Pinochet regime (Judge Schweitzer, the current minister of foreign relations' father) because he was not asked to do so and he did receive the representative of the Democratic Alliance because they requested him to do so. The Spanish head of state, who rejects the extremism in the Chilean process, emphasized that what he said about Chile, that he would like to see them reach a democratic solution to the present situation, is the same thing the official authorities of Santiago maintain.

Common Destiny of Spain and Latin America

As far as contacts with Uruguayan leaders are concerned, the president received the core of the Uruguayan opposition at a meeting the day before yesterday and yesterday he met for a long time with Wilson Ferreira Aldunate, who will probably be proclaimed candidate for the presidency during the next Uruguayan election and who is currently banned by the military regime. Yesterday the Uruguayan military government banned publication of the newspaper, EL DIA, for 3 days simply because it printed a news item on Wilson Ferreira. Asked what he thought about this banning of the newspaper, without explicitly saying that it seemed to him to be a mistake, Felipe Gonzalez commented: "The daily will acquire readers and Wilson Ferreira voters."

Gonzalez, who believes that the peoples of Spain and Latin America have a common destiny, said in Buenos Aires that "we Spaniards do not want anything for any brother nation that we do not want for Spain." From this point of view and with absolute respect for every government among those nations that speak the same language we do on this continent, we are trying to contribute to promoting the overthrow of the military dictatorships.

The Spanish president, who on Monday morning met for a lengthy session with Commander Ortega, the coordinator of the Nicaraguan junta, urged him to put into practice in Managua the process that originated with the Sandinist movement and overthrew Somoza, one in which they pledged themselves to respect pluralism and blazed a political trail that was soon to end in free elections. There was a slowdown in the process in Nicaragua and the revolution took a course different from that of the original Sandinist plan. Gonzalez did not support this deviation and it led to a wary aloofness with regard to the Managua regime. Now the president of the Spanish Government considers it important for them to have begun to correct the course of affairs and that is what he said to Ortega

as far as the renewed dialogue with the church, better operation of the communications media, amnesty for the Miskito Indians who banded together against the Managua government are concerned as well as, lastly, the calling of elections for 1985. The elections should be held with guarantees for all those factions opposed to the Sandinist junta that wish to submit their alternative programs to the electorate.

The Central American Crisis

Gonzalez did not "read the democratic card," which is what the Cuban internal process is referred to as, to Cuban Vice President Rodriguez, with whom he had a conversation in private yesterday, but he did point out the distances that separate the Fidel Castro regime from the Latin American democracies. During the Gonzalez-Rodriguez meeting they discussed the Central American and Caribbean crisis. Gonzalez spoke to Rodriguez from the point of view of his meeting with American Vice President Bush 2 days before. Forces for peace to keep the war in Central America from spreading are in motion. The president of the Spanish Government has also discussed the situation in that region with Honduran Minister of Foreign Affairs Paz Barnica, who is without a doubt his country's most prestigious politician and who views the fact that Honduras might find itself involved in a war with Nicaragua with extreme concern.

All these contacts are evidently serving to substantially ease tension in Central America and the Caribbean and to nourish the hope that peace will be possible there.

Felipe Gonzalez met with the Guatemalan president, General Mejia, at a reception hosted by Alfonsin. They greeted one another, but did not speak of reestablishing diplomatic relations, broken off since the National Guard attacked our embassy in Guatemala City in January 1980. Felipe Gonzalez would like to renew relations, but it is absolutely necessary that the Guatemalan Government launch an investigation into what happened and provide an official explanation.

Alfonsin and Gonzalez have not agreed on any sort of specific political or economic cooperation. That is something that remains to be seen at a later date, in the new atmosphere that has come into being as a result of Argentina's return to democracy. Gonzalez stressed the fact that relations between the two governments would now be even better, would never cease being excellent between the two nations. They plan to establish a joint commission, headed by both ministers of foreign affairs, which will meet at least once a year.

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CSO: 3548/144

MINISTER ANSWERS PARLIAMENTARY INTERPELLATION ON U.S. BASES

Godthaab GRONLANDSPOSTEN in Danish 7 Dec 83 p 28

[Article: "Continued Uncertainty on American Warning Facilities"]

[Text] In answer to a question raised by member of parliament Steen Folke (Left-Socialist Party) Minister of Greenland Affairs Tom Hoyem said it was impossible to tell whether American plans to construct two new radar stations in Southwest Greenland had been abandoned or if they simply had been postponed.

Steen Folke asked the minister for confirmation that the American military had given up its plans. He also asked what possibilities the Greenlandic authorities had to exercise influence and possibly prevent construction of the radar stations.

According to the minister of Greenland affairs, he informed the Greenland Home Rule Government on 10 November that negotiations between the Danish and the American authorities had been temporarily suspended at the request of the Americans until an alternate proposal for construction of the facilities in Canada could be dealt with.

The minister also pointed out that, pursuant to Paragraph 11, Article 1 of the Home Rule Law, the Danish authorities have the power to make decisions in matters concerning relations between the Kingdom of Denmark and other nations. Furthermore, the minister pointed out that, pursuant to Paragraph 3, Article 1 of Greenland's law on land usage, urban development, and construction, the allocation of land for areas and technical installations for military purposes is to be made by the proper Danish authority, after negotiations with Greenland's Home Rule Government.

"We have not and do not now intend to discuss matters dealing strictly with foreign policy and security with the local Greenlandic authorities," the minister said. At the same time, he pointed out that the Danish authorities presently had no desire to reopen the negotiations with the American authorities in order to have the facilities constructed according to the original plan.

"If Greenland's Home Rule makes its views on this matter known, based for example on considerations dealing with local employment and the future of the airport in Sondre Stromfjord, or if the Home Rule Government expresses an opinion in some other way, then these views will be included in the further considerations of the government," Tom Hoyem concluded.

PAN ESKIMO ORGANIZATION TO MONITOR U.S. RADAR LINE PLANS

Godthaab GRONLANDSPOSTEN in Danish 7 Dec 83 p 29

[Article: "No DEW Stations After All"]

[Text] In all probability, the two new DEW Line stations near Nanortalik and Qeqertarsuatsiaat will not be constructed after all. The Greenland Affairs Ministry has informed the Home Rule Government and the municipalities of Nuuk and Nanortalik that the Americans have suspended their plans. GRONLANDSPOSTEN has learned that the stations will be built on the coast of Labrador in Canada, instead.

According to our information, the Canadian government requested that the United States construct the two new stations in Canada instead of Greenland.

Opposition

There has been stiff opposition to the new stations here in Greenland and the Siumut [moderate leftist party favoring greater local autonomy] group in the Nuuk City Council decided to vote against construction. The matter never came to a vote, however, since the Americans withdrew their request before the council was scheduled to take a position on the matter.

The ICC (Inuit Circumpolar Conference) also has expressed concern over expansion of the present DEW Line, which includes four stations here in Greenland. One station is located in Sisimiut, two are located on inland ice, and the fourth is near Kulusuk on the east coast.

Expansion of the system would be contrary to the resolution approved by the ICC against further exploitation of Arctic regions.

At Board Meeting

"Obviously, locating the stations in Canada also would be counter to this resolution," ICC president Hans-Pavia Rosing told GRONLANDSPOSTEN in reference to the new plans.

"Labrador is one area of Canada inhabited by Inuits that already is treated unfairly and I cannot imagine that we will simply accept this latest proposal," he said.

Hans-Pavia Rosing assumed that the siting of the new DEW Line stations would come up at the next ICC board meeting.

This meeting will actually be held in Labrador, in the town of Nain.

9336

CSO: 3613/64

ADDITIONAL DETAILS REPORTED ON SUSPECTED EAST-BLOC SUBS

Copenhagen AKTUELT in Danish 13 Dec 83 p 2

[Article: "Submarines Operating"]

[Text] Submarines from the Warsaw Pact countries were operating in Greenlandic waters last summer. The Defense Command announced this at a press conference yesterday, after it had analyzed information gathered by several communications buoys and statements obtained from people near Disko on the west coast who claimed to have seen submarines in the region.

"Based on the information gathered by the buoys, we cannot say whether or not the foreign submarines entered Greenlandic territorial waters. We can only say that they passed through the area around Disko Island," the commander of naval operations in Arhus, Commander S. Gobel, told RITZAU.

Like Denmark, Greenland has a territorial limit of 3 nautical miles, but the observations from the Disko region cannot say with certainty whether or not the foreign naval forces violated this boundary.

Naval experts cannot say how many submarines may have operated off the coast of Greenland, since the tracking technique, which makes use of sound recordings of the submarines' movement in the water, makes it difficult to distinguish between different vessels.

9336

CSO: 3613/64

GISCARD D'ESTAING ON NUCLEAR, CONVENTIONAL DEFENSE POLICY

Paris LE FIGARO in French 12 Dec 83 pp 1, 6-7

[Interview with former president Valery Giscard d'Estaing by Charles Rebois; date and place not specified]

[Text] This is the second part of our newspaper's interview with Giscard d'Estaing. In the first part, published on 10 and 11 December, the former president of the Republic dealt with foreign policy matters. Today he discusses the nuclear and conventional defense problems facing France.

Question: During the past few months, interest in defense problems has extended beyond the traditional pale of military experts and become a topic of widespread public discussion. What do you think of this debate and how do you wish to contribute to it?

Answer: If there is one debate it is advisable to open, it is definitely the defense debate. It is fitting and proper to have a public dialogue between specialists, political leaders, academics, and journalists on a problem of capital importance to our nation in that it concerns the latter's survival.

This debate presents a special difficulty in France, however, because of the unusual vehemence of the Manichean attitude displayed on this subject: "He who does not agree with my views is an enemy of France and a borderline traitor." This type of dogmatic-minded attitude and our fondness of intellectual formalism which causes us to multiply our constitutions and plans, have often led our military thinking to express itself in the form of a dogma considered sacrosanct. Such dogmas include the doctrine of the all-out offensive adopted by our general staff prior to the outbreak of World War I, or else our pre-World War II defensive strategy based on fortifications and armor plate, thereby ruling out any possibility of a war of movement.

In attempting to extricate ourselves from this rigidity, there is a great temptation to take refuge in romanticism. That is why these past few months we have successively seen the Communist Party campaign for pacifism, then the government dream of the pre-Gaullist period by openly inviting NATO to Paris for the first time since 1965, while a few isolated voices--some of them in the parliamentary opposition--were calling for unilateral abandonment of the

French strategy of deterrence and President Mitterrand was conversely claiming to be the sole embodiment of all nuclear deterrence, and this after he had denigrated and fought against such deterrence in General de Gaulle's day.

The fact is that examination of France's current defense problem is incompatible with either ultraconservatism or romanticism. On the contrary, such examination must combine the precise analysis, imagination, and clarification that major national issues demand.

I have given a great deal of attention to defense problems. And I have observed that any one who has not properly prepared himself--and not merely by playing a modest role in the fighting for France's liberation--has to make a lengthy personal investment before assimilating all the ins and outs of these problems: 4 to 5 years for me personally.

I viewed such investment as essential upon considering three aspects of the situations in which our security would be at risk. First, the key decisions would actually be made by political authorities and not by military commanders, decisions on launching strategic nuclear weapons toward the USSR or tactical nuclear weapons toward Central Europe where an invasion and battle would be taking place. Second, warfare is by nature an improvisational situation in which programmed decisions have to be constantly revised to cope with unforeseen events. Lastly, in defense matters we cannot "finesse" because we can never be sure of what form of action the enemy will choose.

The lesson drawn from this reflection and this experience are what I want to contribute to the current debate.

Question: The deterrent force was your responsibility for a 7-year period. What are that force's value and significance?

Answer: Frenchmen sometimes overlook the fact that due to 20 years of persistent efforts--obstinately opposed by members of the present government--France is now, along with the two superpowers, the only country with an independent nuclear force. This independence applies not merely to the decision to employ that force but likewise to the design and manufacture of the entire weapon system: delivery vehicle, nuclear warhead, support equipment and facilities.

What is this independent force's strategic significance? What is its deterrent value?

These questions involve complex technical information. Their importance is such, however, that Frenchmen expect clear answers from their leaders. Hence I want to be as clear as possible, even at the risk of being somewhat long-winded.

Nuclear weapons have introduced a new element into the history of conflicts. In the past an aggressor was deterred from starting a war only by fear of losing it. From now on, however, an aggressor nation can fear destruction of all or part of its own territory. The nature of the risk has completely changed. This is what is known as deterrence.

For a medium-sized and peaceful power such as France, possession of an independent nuclear force is a decisive advantage. This force can deter an adversary, even a much more powerful one, from attacking us by threatening that adversary with destruction disproportionate to any gain obtainable from overrunning or destroying France. This is what is known as the "equalizing power of the atom."

Nuclear deterrence is essential. We are no doubt indebted to it for the maintenance of peace in Europe since 1945 and, ultimately, for the maintenance of our freedoms. But what is not always understood is the fact that the nuclear force does not constitute per se a sort of "comprehensive all-risks insurance." It can definitely deter an enemy from launching a nuclear attack against us. It probably deters him, but already with less certainty, from starting a conventional war liable to escalate into a nuclear conflict. Lastly, it has little deterrent effect against other forms of aggression that do not directly jeopardize the nuclear power's national territory or vital interests. Possession of nuclear weapons did not prevent the United States from having its nationals taken hostage by Tehran, nor the USSR from encountering strong Afghan resistance, nor Great Britain from having to cope with an invasion of the Falkland Islands.

In the case of France, it is evident that the decision to employ our strategic nuclear force would prompt enemy retaliatory strikes bringing about our country's nuclear destruction. The enemy knows this. He can reach such a conclusion as well as we can. We have little credibility, therefore, if we brandish our nuclear force when confronted with a nonnuclear threat. On the other hand, we do have maximum credibility whenever we say that if a war of annihilation is unleashed against France, our country--even after its own destruction--will be able to inflict appalling reprisals upon the enemy. Two characteristics we have given our deterrent force stem from this aforementioned consideration: the capability of destroying vast areas, and the capability of surviving an enemy nuclear first strike.

Have we achieved these capabilities? That is the problem of the value of deterrence.

Our nuclear forces did not acquire military credibility immediately. Actually, it was during my 7-year term in office that we took a decisive step forward with the deployment of 18 S-3 surface-to-surface missiles on the Albion Plateau, and with the entry into service of M-20 megaton-yield ballistic missiles aboard our submarines. And thanks to the research, test, and development program prepared under President Pompidou and initiated in 1975, we will make another major step forward next year with the entry into service of the M-4 multiple-warhead missile that will progressively arm five of our submarines. This will be a veritable qualitative leap forward in our nuclear strength inasmuch as each submarine will carry 16 missiles each armed with six independently-targeted nuclear warheads, i.e. a total of 96 warheads. Accordingly, France will have several hundred nuclear warheads invulnerable to an enemy first strike, and against which there is currently no effective counteragent. Consequently this heightens the credibility of our nuclear deterrent.

This analysis of the significance and value of our nuclear deterrent leads me to draw two practical conclusions.

First, the capability of the French deterrent force must constantly be kept at such a level that the enemy remains convinced of his inability to escape our retaliation, no matter what technical progress he may make.

Second, despite the fact that France has an independent nuclear force, we cannot ignore the outcome of a battle waged upon the territory of our European neighbors, a battle that would decide our own political independence. France defends its existence on the Rhine but defends its freedom on the Elbe.

And for that reason we as citizens must judge the merits of the current defense policy on the basis of two fundamental criteria. First, is this policy conducive to maintaining the credibility of our deterrent force in the future? Second, does it permit France to have field forces capable of operating effectively if a conventional war breaks out in Europe?

Question: What is the future of the French nuclear deterrent force? With the new arms build-up in the United States and the USSR, isn't that force liable to be viewed as a mere auxiliary force?

Answer: We have seen that the credibility of our nuclear deterrent force rests on the magnitude of the damage it is capable of inflicting upon the enemy and thus discourage him from attacking us. Our weapons must be able to penetrate into the enemy's home territory, be accurate enough to hit selected targets and thwart the enemy's deployed interception forces. Such is the case at the present time. Even though mention of the following objective is a horrifying subject per se, French nuclear weapons were indeed designed specifically to be able to destroy a portion of the enemy's civilian population numerically approximating our own total population. If France were to be destroyed, our enemy would thus lose the equivalent of France.

It takes 5 to 10 years to develop and deploy deterrent forces and weapons. Hence our nuclear deterrent's present level of credibility is the result of decisions made between 1973 and 1978, in other words at the end of President Pompidou's 7-year term in office and during the first half of my presidency. That deterrent will ensure our security until the period 1990-1995 during which it will undergo an inevitable decline. Our Mirage 4 bombers, already 20 years old, will no longer have a strategic capability. As for the silo-based S-3 surface-to-surface missiles deployed on the Albion Plateau in the department of Vaucluse, the accuracy of new Soviet missiles will render them more and more vulnerable. It is evident, therefore, that two of our deterrent force's three strategic components will become unserviceable during the period 1990-1995. Now it is unwise to base our deterrence on solely the submarine component. The latter may become vulnerable to detection, although there have been no apparent technological advances of a positive nature in this field. And above all, the Soviets and the Americans have long realized it is necessary to have deterrent weapons deployed on one's own soil so as to compel the enemy to have to decide whether to attack you directly and thus make your retaliations an automatic necessity.

Lastly, we must be mindful of the developments mentioned by President Reagan relative to antimissile systems operated from space stations. While these weapon systems are being developed on both sides, we ourselves will be unable to use them because of their cost and our country's lack of depth. But they are likely to pose in entirely new terms the question of having our missiles penetrate over enemy territory.

These considerations had prompted us in 1979 to start preparing a new component for our system of deterrence, and to study which of two options to select: French cruise missiles, which we have the capability of building, or Soviet SS-20 type intermediate-range mobile ballistic missiles capable of moving about within France proper. We decided in favor of the latter which were given the designation SX. We ordered that studies be conducted and completed in time to permit operational decisions to be made by end-1982 so that these decisions could be made public and approved in the military programming law. At the same time, I had approved study of the advanced-generation M-5 submarine-launched ballistic missile whose penetration capability would increase in proportion to advances made in enemy defense systems. What has become of these programs? The 1984-1988 military programming law, which the government pushed through the National Assembly, does not even mention the M-5. As for the SX, the basic decision to produce that missile has still not been made. Pending such a decision, the service life of the old Mirage 4 bombers will be extended to 1996!

Naturally, there is always the possibility that technological advances or better knowledge of the other side's projects may prompt us to reconsider our choice of a particular weapon system. But at the present moment, the government has still proposed no alternative solution. On the contrary, funds allocated to missile research in the 1984 budget represent a cut of 20 percent in current francs. And we learn from the French and foreign press that the number of nuclear tests at Mururoa has been reduced considerably. Failure to decide today to modernize France's instrument of deterrence is a definite weakness. Another weakness is the failure to initiate production of the French SS-20 missiles when we are exhorting our partners to accept deployment of NATO Euromissiles on their soil.

Because of these weaknesses, the French deterrent is likely to have a "window of vulnerability" in the 1990's. The general public does not know this as yet, but all the experts know it, starting with the experts of our potential enemies.

Question: Mitterrand has said "I am the deterrent." What do you think of this?

Answer: Francois Mitterrand is no more the deterrent than Louis XIV was the state. President Mitterrand is mistaken. The real deterrent is the will of the entire French nation to defend itself.

As a matter of fact, Mitterrand has confounded two types of responsibility. The first is the responsibility for determining in what situation it is in France's vital interest to open nuclear fire. This assessment cannot be

the work of one man alone. It also concerns our senior military authorities in that it involves a nuclear exchange with our enemy. And it likewise concerns those officials responsible for France's diplomatic action who have to analyze crisis situations and the definition of vital threats to our country. In all major countries, these questions are the subject of exhaustive studies and searching deliberations, notably within defense councils. They cannot be left to the assessment of solely one man.

All these studies and deliberations lead to the definition of a nuclear defense policy that must be supported by a political majority and the broadest national consensus to be credible and able to withstand the psychological tensions that arise in a period of crisis.

The second responsibility comes into play when the crisis reaches its climax and when the decision to open nuclear fire has to be made. The extremely short time available and the concentration of responsibilities are why this decision can actually be made only by the president of the Republic.

I remind you that the probable time of flight of an SS-20 rocket targeted against France is some 8 to 10 minutes. This is why I made a point of organizing a full-scale exercise, particularly in the spring of 1980, to place me precisely in the type of situation where I would have to make the decision. To enhance the exercise's usefulness, I had informed the armed forces general staff, the actual organizers and directors of the exercise, that I would make my decision known only in realistic terms, in other words at the very moment it would be required and without the directing staff having any advance knowledge thereof, so as not to flaw the play of the exercise. I hope that the current president of the Republic is following a similar disciplinary course of action.

Question: How do you view the problem of France's participation in the battle of Europe? What impact does that problem have on the organization of our conventional forces?

Answer: The existence of our deterrent force has caused excessive importance to be attached to the concept of "sanctuarization." It should be noted that such was not the reason which prompted General de Gaulle to decide--shortly after Algeria became independent--to give our armed forces a nuclear capability. His two main reasons--and I know whereof I speak because I was a member of the defense council at the time--were first to restore the self-confidence of our armed forces by arming them with powerful and modern weapons, and secondly to make us ready to decide by ourselves on a nuclear course of action that would compel the United States, if it were hesitating, to bring its then atomic superiority over the USSR to bear.

The linkage between deterrence and santuarization is based on two extremely unlikely contingencies. The first is a situation wherein the Soviet Union would decide to attack or threaten to attack France alone. The second is a situation wherein the Soviet Union, having won the battle of Europe--crushed the allied American and German forces, without any use of nuclear weapons by either side--and having taken up positions along our borders, France

would have a chance of maintaining an economically and politically tolerable position of independence without "Finlandization," a position it would protect by threatening to use its nuclear force.

Although sanctuarization must be kept in mind, to avoid opening a "hole" in our defense system, the most probable situation, should the Alliance's overall deterrence fail, is that of an East-West conflict resulting in a battle between the conventional forces of both sides, with or without use of nuclear weapons. We know that if such weapons are used that Soviet strategy is based on immediate employment of all nuclear means. In that case, the conflict would be decided at the level of Soviet and American strategic nuclear weapons, hence the importance to us of a satisfactory balance between these strategic arms.

If nuclear forces were not employed in the battle, I note, in passing, the quasi-improbability of any isolated use of French tactical nuclear weapons. I carefully studied this point and then ordered a series of maneuvers that led me to that particular conclusion. This is a subject that deserves to be treated at greater length some day.

France's fate will hinge on the outcome of the battle. Its forces will necessarily be involved because of its membership in the Atlantic Alliance. In that case, everything must be done to ensure that this battle is won. French forces can contribute substantially if they are properly organized, equipped, and trained, and if we have made all necessary preparations with our partners.

This accounts for the importance I attached to the reorganization of the army, its complete formation into divisions, and the creation of two army corps followed by a third one in 1979. Upon reaching its planned level of 27 divisions, including mobilized reserves, the French Army again became a powerful and effective instrument. We ruled out any peacetime occupation of a position on the line of confrontation so that we would not be placed under the single integrated command and would not become embroiled in any tense pre-conflict situations. Nevertheless, we did foresee the possibility of our forces being deployed within the combat disposition of forces in the event of a crisis situation and, of course, an outbreak of hostilities. In so doing, we were accepting the dual logic of the Alliance and an active role in a battle to whose outcome we had to contribute the more that outcome became vital to us.

The role of our conventional forces is not to be an advance guard of the sanctuary, a force unconcerned with the outcome of the fighting between the opposing sides, and a force withdrawing into the sanctuary to protect it under the shield of a nuclear umbrella. Indeed their role is to be an active force alongside our European and American partners, a force employing all means at its disposal to influence the course of the battle.

That is why our conventional air and land forces had been organized into large tactical units equipped with materiel comparable to that of our potential enemy.

At the same time, units stationed in southern and western France were formed, trained, and equipped to handle our overseas commitments. I refer to the marine infantry and paratroop units that gave proof of their fighting qualities and courage in Kolwezi [Zaire] and Lebanon. They were supported by a modern naval air force--carriers and Super Etendard aircraft--which equally showed its mettle.

For ambiguous reasons, the government is in the process of disorganizing this cohesive system of forces and forming a unit with an ambiguous mission, namely the Rapid Action [deployment] Force.

If the government's purpose is to modernize our conventional forces by increasing their mobility and firepower, everyone cannot help but concur. But if this is a strategic innovation, as the government implies, then the disparity between the means and the objective is indicative of a great lack of serious thought and planning.

How can anyone believe that the same units will be able to intervene in overseas operations and the battle of central Europe as well? Such disparate types of conflicts call for neither the same equipment, nor the same men, nor the same logistic support, nor the same tactics.

How can anyone possibly believe that our forces are going to be turned into highly mobile and versatile multimission units without a massive infusion of modern and expensive equipment? Yet the 1984 defense budget increases army equipment funding but a mere 3 percent in current francs, and this when we are faced with an obviously higher inflation rate. This means that far from accelerating the required modernization of our conventional forces, the government is slowing such modernization.

As far back as 1980, I said it was necessary to initiate joint studies, particularly with the Germans, on the defense of Europe. In the political and strategic discussions scheduled to open next year with the Germans, France will appear in a singular position with a curtailed First Army and a Rapid Action Force constituted solely from old equipment. This is a mistake of historic significance.

The truth is that there is currently a decline in France's capacity to cope effectively with the most plausible threat, namely a clash between conventional forces in Europe.

It is my belief that conventional deterrence will greatly complement nuclear deterrence in the future, especially as there is an ongoing effort at all levels to establish a balance between opposing nuclear forces and weapons. It is essential, therefore, that France be perceived as having quasi-equality with the Federal Republic of Germany in conventional forces and weapons. Without such equality, France would be subject to the strategic and tactical decisions of its Atlantic and European allies.

Question: In your opinion, are the risks of a Third World War greater today than in the 1970's?

Answer: It is contradictory to support deployment of NATO Euromissiles and at the same time assert that this deployment exposes the world to a crisis as grave as the crisis of 1962. Mitterrand's stated comparison to the two crises of Berlin and Cuba is not justifiable. In both of those cases, it was a question of getting the Soviet Union to withdraw from initiatives it had taken. If the Soviet Union did not back down, there was a risk of escalation into direct confrontation. In the deployment of Euromissiles, nothing is either asked or expected of the Soviet Union. It is a decision made by Westerners, on their own responsibility, to reestablish a balance that has been seriously compromised.

Moreover, one certainly has to have a very short memory to depict to Frenchmen the 1970's as a decade of international serenity. The truth is that it was a decade that began with the Vietnam War at its height and ended with the invasion of Afghanistan.

The Yom Kippur War and the Iranian revolution heightened tensions in the Middle East between the two superpowers. France, for its part, had to intervene militarily in Mauritania, Chad, and Zaïre to oppose effectively the destabilization of Africa. Those persons who are alarmists today are the ones who ignored international realities yesterday. They are now discovering the existence of tensions with which we have long been confronted. The truth is that the conflict between East and West can escalate at any moment into a dangerous crisis if the West ceases to apply the two basic principles of relations with the Soviet Union: constantly be in a position of strength, and act by expressing our peaceful purpose and resolve. If American leadership is too weak, as was the case from 1976 to 1980, that forces us into a realm of dangerous uncertainties which can spur the adversary's endeavors. The latter can also be provoked by the suspicions or blunders that accumulate when dialogue is suspended for too long.

Formerly, in conflicts between nations, each nation's objective was to win the war. In France, for instance, we prepared ourselves from 1871 to 1914 to win the next war with Germany. Today, our objective cannot be to win the war. It is as follows: prevent war and refuse to accept any situation in which we would come under the influence of a foreign power whenever a vital national interest is at stake. For us this implies a dual effort to attain an adequate level of security: I approve of the deployment of NATO missiles in Europe, and I ask that a decision be made to develop an equivalent French missile; and I support a parallel effort to establish the foundations of global peace.

France's profoundly peaceful disposition is such that nobody can accuse it of aggressive intentions. Its nuclear independence was acquired at great cost and through the efforts of our three preceding presidents. One objective of that independence was to give us the instrument allowing us to participate in the great international debate. As a result, France now has the political and military means of playing an important role in the strategic arms limitation effort. I note that it has abandoned that role at the present time.

France's future course of action must be in two main directions: modernization of our nuclear and conventional deterrent capability, and adoption of a strong and coherent position in the strategic arms limitation debate.

I do not want to leave this subject without expressing my high regard for all those men and women who devote their energies to maintaining France's security, and without telling them how honored I felt at having been constitutionally their commander in chief.

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CSO: 3519/143

UNOR 51ST CONGRESS STRESSES CIVIL DEFENSE ROLE FOR RESERVE CADRES

Paris ARMEE ET DEFENSE in French Sep/Oct 83 pp 40-41

[Article by I.M. Jean Louy]

[Text] Close to 500 of us answered the invitation to participate in our 51st National Congress, organized this year by our fellow officers of the Lower Rhine AOR [Reserve Officers Association] in Strasbourg from 24 to 27 June. Consequently, the results were very satisfying, although the members of the various organizing committees remained in complete suspense to the very last moment despite the decisions made in close cooperation with the command to prepare a military program that would be outstanding on every score.

Indeed, the program appeared to be complete and balanced enough to tempt those among our fellow officers for whom the military part still fortunately constitutes the most important part of an event such as this, not, however, neglecting the tourist appeal of Alsace, especially at this time of the year.

At the same time, another concern appeared to be essential to the organizers: how to attract as many as possible of the young officers for whom the costs of attending often reach too high a level and are a deterrent? Unfortunately, the economic situation, with its effects on individuals, could not be a positive or encouraging factor.

Three Key Ideas

Recent events were to bring out several major themes which were amply developed in speeches made both by Mr Francois Autain, secretary of state to the minister of defense, and by our president, Colonel Roger Vienne, as well as by Pastor Rigal, one of us.

Blocking a Dangerous Pacifism

A vital need was demonstrated to check the wave of general demobilization, in all its forms and often in the most dangerous, that the pacifist organizations, some of which held dramatic demonstrations shortly before the congress, are trying to trigger.

In this area, we must conduct a constant battle and demonstrate unfailing vigilance at a time when East-West negotiations will be charged with consequences for the defense of the basic values to which we adhere.

In the moving homily which he delivered during the ecumenical service at the Kayzersberg church (Upper Rhine) on Sunday, 26 June, our fellow officer Pastor Rigal, former chaplain of the Fifth Armored Division, in complete agreement, stressed "the offensive launched against the defense of our country, of Europe and of the free world," while emphasizing that "it is certainly not by giving up the maintenance and development of means of defense that we will maintain peace."

Reviving and Reorganizing the Civil Aspects of Defense

The new army organization resulting from the recent legislation on military planning discussed during the last parliamentary session could not fail to be mentioned and the Congress gave the secretary of state representing the minister of defense the opportunity not only to provide assurances on the global aspect of defense, but also to state the government's conceptions of the role of the Reserves.

But, it was the prerogative of Prefect Blanc, a high level official responsible for defense matters for the minister of the interior, to develop some of the directions possible within the general framework of nonmilitary aspects of the defense department which, among other things, will offer new and rewarding avenues for reserve officers (highway infrastructures, plumbing facilities, energy provision, supplying civilian populations, etc.).

The rambling discussion which followed this presentation demonstrated the need for the military command and the civil administration to strengthen their ties in times of peace, particularly since in times of conflict or periods of crisis the logistics of the armed forces and of the civilian population are inter-dependent.

Recalling the remarks of the Ministry of Defense, "global deterrence cannot be credible without effective mobilization and the support of an aware population," the secretary of state defined the major lines of a policy of mobilization and defense as follows: "- strengthening the armed forces and defense of the territory, -supplementing the peacetime personnel in times of war."

Establishment of a Committee to Study the Reserves

Concrete steps will have to convey quickly this clearly expressed desire and will be decided upon following consultation with a newly established body, the Committee to Study the Reserves, the establishment of which was officially announced by Mr Autain during his speech.

Indeed, this 22-member body within which the UNOR [National Union of Reserve Officers] will have two seats and which was established by a decree signed on 16 June, will deal with "short term problems involving, for example, the financial position of reserve members, education and training, as problems which arise over the medium or long term and which could concern, although this is not an exhaustive list, forms of an initiative to develop the spirit of defense, definition of the selection criteria for reserve members, whether or not to adjust the legal obligations of reserve members, follow-up of individual situations, and military reserves and the defense department.

According to the desire expressed by the secretary of state, "the committee should bring up proposals moving toward upgrading the role of reserve officers, considering this upgrading as a basic and essential element in building our armed forces and in the close union between the armed forces and the nation."

9693

CSO: 3519/121

HERNU PLEDGES CONTINUED DEPLOYMENT OF NUCLEAR FORCES

Paris LE MONDE in French 18 Nov 83 p 8

[Text] In view of studies and developments in antimissile systems on both sides of the Atlantic, it is France's duty to continue to provide itself with the means to maintain the credibility of its strategic nuclear force at an adequate level. The billions of dollars and rubles expended to impede the penetration capacity of strategic weapons together with talks bringing into question the very notion of mutual deterrence: all this calls for us to deploy multiple warhead missiles." This is what Minister of Defense Charles Hernu announced at the Institute for High National Defense Studies in Paris during a speech made public following Mr Mitterrand's speech on Channel 2 and entitled: "Parity, Determination, Deterrence."

"The naval component of our strategic nuclear force," explained Mr Hernu, "will increase from five to six missile-launching nuclear submarines as of 1985. A seventh submarine, the first of a new quieter generation, will be built between now and 1994. By means of remelting, four of the existing submarines will be equipped with M-4 missiles.¹ Thus, the theoretical number of warheads carried on submarines will increase from 80 in 1983 to 176 in 1985, and to 496 in 10 years. Why such an increase? First of all, I will note that France is equipping itself with multiple warheads 12 years after the United States, 10 years after the USSR and several years after the United Kingdom. Therefore, we are not launching any type of arms race in this area (...). We are not going to listen to any lectures when we note that the number of warheads carried by Soviet long or medium range missiles has increased from approximately 2,900 in 1975 to 8,000 in 1983, or 700 additional warheads per year."

"As far as the landbased component is concerned," added the minister of defense, "we will continue to harden² the silos of the second group of strategic missiles. In this regard, I would like to stress the fact that the 18 missiles on the Albion Plateau are an integral part of our strategic nuclear force just as the missiles carried on the submarines are. The S-3 missiles are sanctuary weapons in a strategy which is not an antiforces strategy, but a doctrine of global deterrence. France believes in deterrence, in the prevention of war, and not in a nuclear conflict which would profess to be "limited" to a geographic area or a category of military targets."

"In this way," concluded Mr Hernu, "France seeks to make available on a long term basis the means to assure the credibility of deterrence on its part: no more, no less. No more, for this would correspond neither to our means, which are not those of a superpower, nor to our philosophy, which rules out any form of coercion or intimidation. No less, for we would then lose our kind of freedom, our ability to have an impact on the course of things. Our initiatives on behalf of peace, freedom and human rights, our very identity, would be compromised. The moral legitimacy of this policy aimed at preventing war can hardly be contested."

FOOTNOTES

1. The M-4 is a missile with a range of up to 4,400 kilometers capable of exploding its six warheads over an area 350 kilometers long by 150 kilometers wide at the end of its trajectory.
2. Hardening a missile's silo enables it to resist the neutralizing effects of a pre-emptive nuclear attack by an adversary.

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CSO: 3519/123

PSU CRITICISM OF HERNU'S DEFENSE POLICIES, NATO LINKS

Paris LE MONDE in French 18 Nov 83 p 14

[Text] "Close to 2 years after Charles Hernu's arrival at the Ministry of Defense, things are basically the same as far as France's defense policy and, more specifically, its military service policy are concerned. We were not deluding ourselves on the subject of the minister's innovative intentions, but it was simply hoped that he would go a little further and, especially, that he would not make his decisions all alone." This is the opinion expressed in a document it has just published by the PSU [Unified Socialist Party] Armed Services/Defense Committee, whose former national secretary, Mrs Huguette Bouchardeau, is currently secretary of state for the environment and quality of life, on current government initiatives in matters of military policy.

"This can no longer continue. It is unacceptable that 2 years after the Left's victory no serious reform of military service has begun," feels the PSU.

In its paper, the PSU's special committee attacks a plan which it attributes to Mr Hernu to institute an "à la carte" service with duration varying depending on the location and type of the recruit's assignment. "Moving toward a professional army is the very greatest danger," feels the PSU, "even if the draft is maintained. There would be no more equality in national service. Assumption of our defense by the community would be forgotten. No matter how Charles Hernu tries to deny it, the aim is to end up with an army on a highly technical level based on fewer draftees in combat positions and, along the same lines, with the supply jobs left to those who will serve only 6 months."

In regard to the reorganization of the army already in progress which provides for the establishment of a rapid deployment force for Europe and overseas, the PSU notes: "The logic underlying this plan induces us to view France's defense in constant connection with the NATO forces. We don't even have to go to the joint command. France has just made a clear choice (...) For the PSU, the battle is now clear. In fighting for a people's defense, for disarmament and for a nonaligned France, we must prove that there is another defense logic," concludes the PSU.

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CSO: 3519/123

COALITION PARTIES' ECONOMIC POLICY SEEN PAYING OFF

Gains Seen in Most Categories

Copenhagen BERLINGSKE TIDENDE in Danish 16 Dec 83 p 9

[Article by Frank Dahlgaard: "Economic Status after 15 Months of Non-Socialist Government"]

[Text] In a great many areas the four-party coalition government has attained surprisingly good results. Nevertheless, the national debt is growing more rapidly than ever, despite reduced interest and expenditures.

The coalition government is certain to win an election in which the economy is the main theme.

Hardly any Danish government has in so short a time attained so convincing results in the area of economics as the present non-socialist government.

When the Social Democratic government gave up in the face of the problems early in September 1982, the economy was characterized by profound pessimism.

Today optimism is prevalent and the long awaited recovery is already under way:

--Since the middle of the year sales of merchandise have jumped markedly. During the four-month period from June to September Danish Statistics' seasonally adjusted index of retail trade was almost 4 percent above the average for January-May 1983. Increased sales showed up in food and drink, clothing and durable consumer goods.

--Automobile sales during the first ten months of this year are 30 percent above sales during the same period of last year. Sales of motorcycles were up 34 percent. During 1983 we shall see the highest sale of new motorvehicles since 1979.

--Housing construction is rising rapidly. During the first ten months of this year 32 percent more units were started than during the same period of last year. For single residences the increase is over 50 percent. From January to October building permits rose by 43 percent compared to last year.

--Investments in the economy are increasing rapidly. Brand new figures from Danish Statistics show an increase in investments in industry from 1982 to 1983 of 17 percent in current prices. From 1983 to 1984 industry anticipates an investment increase of a total of 22 percent. The increase includes both machinery and equipment, as well as new plant and workshop construction.

--Exports of commodities increased during the first ten months of the year by over 12 percent (in current prices) compared to the same period of last year. At the same time the value of imported goods rose by only 5½ percent.

--Except for the state's expenditures for interest, brakes have been applied to government expenses. If this is successful it amounts to a historical feat.

--The number of bankruptcies has declined. During the first 11 months of 1983, 20 percent fewer bankruptcies were reported to the Wage Earners Guarantee Fund than during the same period of last year.

--Employment is improving. From the fourth quarter of 1982 to the second quarter of 1983 (most recent figures) employment according to ATP (expansion unknown) statistics, has grown by what corresponds to 13,000 full-time jobs (seasonally corrected figure.)

--Unemployment has topped out. Since April the seasonally adjusted unemployment figure has not risen. Compared to the situation when the new government took office, there are today 23,600 more unemployed, but this entire increase took place from September 1982 to April 1983. Today there are 280,000 unemployed (seasonally adjusted figure), corresponding to 10½ percent of the work force, the highest figure during the crisis.

--The tranquility in the labor market has been convincing. Despite the persistent TV coverage of all demonstrations against the coalition government, figures from Danish Statistics show that the number of work days lost because of strikes in 1982 was the lowest for the last ten years. In the fourth quarter of 1982, when the coalition government had just taken over, the number of lost work days was almost 40 percent below the average for the first three quarters. Figures for 1983 are not yet available, but according to the Employers Association, the level is still low.

--After two years of net emigration from Denmark, that flow has been turned. A net immigration to Denmark is in prospect for 1983--a clear indication of the Danish economic recovery.

--The deficit in the balance of trade, which in 1982 amounted to 18.7 billion kroner, is expected in 1983 to be only a little over 10 billion kroner, the smallest deficit since 1978. For the rest, the private economy has now, for the first time in 20 years, a surplus in foreign payments. The fact that the total balance of payments still shows a deficit is due exclusively to interest payments on the national foreign debt.

--Denmark's total foreign debt has now reached 175 billion kroner, corresponding to 34,000 kroner per capita of the population. This is a growth of 20 billion kroner in 1983, one half of which was due to the rise in the dollar value, the other half to the deficit in the balance of payments. Denmark is today one of the most debtburdened nations in the world, measured per capita.

--Foreign exchange reserves have been doubled. When the coalition government took over there were 19.3 billion kroner in the foreign exchange reserve. Today it amounts to 37.9 billion kroner--the largest ever reserve.

--The rate of exchange of the krone has been maintained, and seven years of devaluation has been stopped. In fact, since the change of governments the value of the krone has been increased by almost 2 percent vis-a-vis other currencies.

--Interests on bonds has dropped from 22 to 14 percent since the government change in 1982. Thus we have the lowest construction loan rate since 1975. Bank loan interest has under the coalition government dropped by one third, and National Bank discount has in four stages dropped from 11 to 7 percent. This gives us today the lowest discount rate we have had during the past ten years. Consumer price increases have been halved, from 10-11 percent to a little over 5-6 percent today. Thus we enjoy the lowest rate of inflation since 1969.

--Wage increases have also been halved, from 10-11 percent to a little over 5 percent today. This is the lowest wage inflation since 1960. Real wages have not fallen, however, because price inflation has also been brought down.

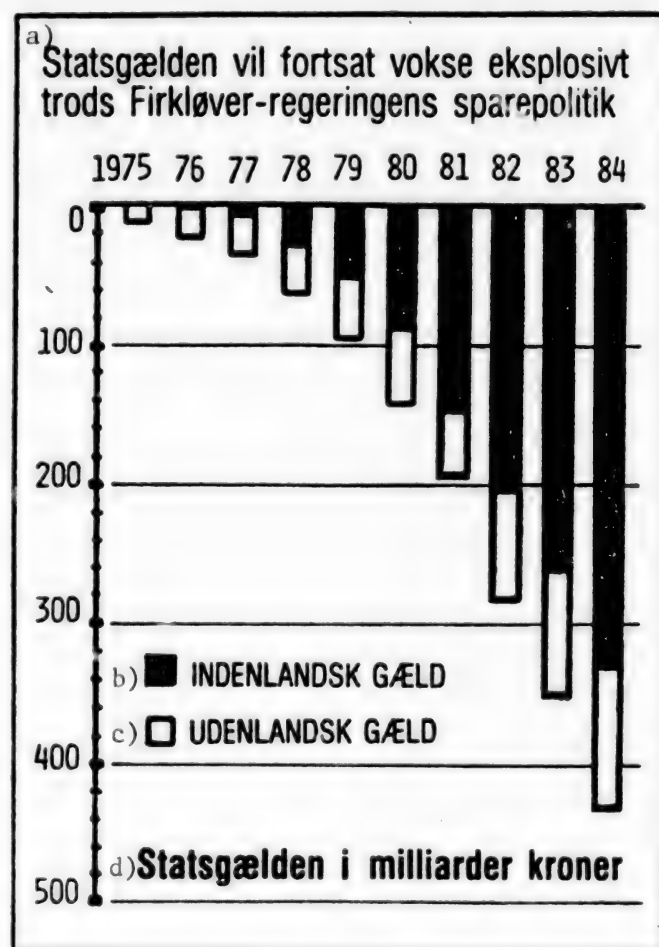
--Stock prices have increased by 130 percent on the average since the government change--more than doubled in other words. This year new stock issues will be more numerous than ever before.

--The state deficit is expected to be 58.2 billion kroner in 1984 as against 59.6 billion this year. This is the first time since 1976/77 that the state deficit has gone down.

--The total national debt now amounts to about 350 billion kroner. In the general euphoria over the many positive developments most people overlook that the national debt has since the change in governments grown by 250 million kroner per day. The state's debt has never before grown as rapidly. However, things would no doubt have been even worse with the Social Democrats continuing in office.

Despite the great drop in interest rates and public expenditures as well as the implemented real interest tax, the national debt will in 1984 grow to over 400 billion kroner.

Interest alone on this national debt will in 1984 amount to 45 billion kroner, as against 39 billion this year. In 1985 the interest burden will probably grow to over 50 billion kroner. The explosively growing national debt has today developed into the most serious economic problem.



- a) The National Debt will continue to grow explosively despite the coalition government's savings
- b) Internal debt
- c) Foreign debt
- d) National debt in billions of kroner

Investment Growth Higher than Expected

Copenhagen BERLINGSKE TIDENDE in Danish 16 Dec 83 Sect III p 1

[Article by Frank Dahlgaard: "Investments in Industry Growing at Unexpected Speed"]

[Text] The survey of investments undertaken by Danish Statistics shows a marked and surprising increase in industrial investments for 1984.

Decisive industrial investments have now joined the economic recovery.

This year, a growth of 17 percent in current prices is expected in industrial investments, which is significantly higher than expected. And top industrialists plan for 1984 an increase in investments of 22 percent.

This is apparent from a new "Investment Survey" by Danish Statistics. The survey is based upon information gathered from the heads of 600 of the country's largest industrial enterprises, which together account for over 60 percent of the total industrial employment.

When Danish Statistic in its October survey of last year gathered information from industrial leaders an increase of only 3 percent (4 percent with shipyards excluded) in investments from 1982 to 1983 was found.

In the survey of April this year the industry chiefs had adjusted the figures upward to 10 percent (11 percent with shipyards excluded) and in the present October 1983 survey, the figures were once more readjusted to 17 percent (17 percent also, with shipyards excluded).

Industry now forecasts a growth in investments from 1983 to 1984 of 22 percent (20 percent with shipyards excluded).

Readjustments in investment figures have been most marked in the food and beverage industry and in clothing, textiles and leather.

Increased investments take place on a broad front in all industry, but are highest in consumer goods. It is anticipated that investment goods will be strongly represented in next year's increase.

Industry Economists Optimistic

Copenhagen BERLINGSKE TIDENDE in Danish 16 Dec 83 Sect III p 1

[Article by Frank Dahlgaard: "Industry Economists: Marked Progress in 1984"]

[Text] Industrial Council forecasts great increase in housing construction and in business investment, but is worried over long-term developments.

Denmark will next year experience an economic growth greater than that of most other industrialized countries.

This is indicated in the recently published semi-annual economic prognosis by the Industrial Council. The prognosis views economic developments significantly more optimistically than do the "Wise Men" and government economists.

Industrial exports, housing construction and industrial investment will in particular promote growth, but improvement in private consumption is also foreseen.

Industrial exports are expected to rise by 7 percent (as against the guess of only 5 percent by the "Wise Men") and a growth of 15 percent is foreseen in industrial investment. That total business investments will not increase very much is due to the prospect of reduced investment in the energy field.

Industrial production is expected to grow by 4-5 percent from 1983 to 1984, and for the entire country a production growth (economic growth) of 3 percent is anticipated. Only the United States, Japan, and Finland are expected to show greater production growth next year.

The growth and the improvement is already fully under way, points out the Industrial Council, which states that employment in the private sector has been growing since the middle of this year. Next year, 20,000 new jobs are expected in the private sector, while employment in the public sector is expected to remain unchanged.

It Is Under Way

This development calls for the net increase in job seekers being fully absorbed by the private sector in 1984. The result will be unchanged unemployment in 1984 of about 285,000. The development implies that the seasonally adjusted unemployment will drop during the second half of 1984.

This unemployment prognosis is in glaring contrast to the forecasts of both the "Wise Men" and the financial report from the government.

Office Chief Verner Puggaard of the Industrial Council says to BERLINGSKE TIDENDE that the disagreement concerns developments in 1984. For the long term, the industrial economists agree with the "Wise Men" and government economists in their gloomy assessments.

"We should not lean back in our chairs just because the present economic policy will produce positive results next year. If unemployment is to be reduced in the years after 1984, further improvement in Denmark's ability to compete is required," says Verner Puggaard.

Low Inflation

The industrial prognosis assumes that the economic recovery is carried forward without interruption. It is thus assumed that the government's 4 percent wage increase limit will be adhered to, that the krone exchange rate is maintained, and that the effort to limit government expenditures is successful.

The increase in the cost of living is estimated at only 4 percent and the deficit in the balance of payments is estimated to drop 11 or 12 billion kroner in 1983 to about 10 billion in 1984. Industrial economists predict an unchanged dollar rate of exchange and unchanged oil prices (figured in dollars) in 1984, while other raw materials are expected to rise in price by about 10 percent.

The number of housing starts are expected to reach 24,000 units this year and a further 25,000 or 26,000 units next year.

a) VILD UENIGHED OM DANSK ØKONOMI I 1984			
b) 1984 - ØKONOMIEN	c) INDUSTRIRAD	d) "VISMÆND"	e) BUDGETDEP.
ARBEJDSLØSHEDEN 1)	285.000	312.000	305.000
ØKONOMISK VÆKST 2)	3 %	1.4 %	1.8 %
PRIVAT FORBRUG 3)	2 %	1.5 %	0.2 %
PRIVATE INVESTERINGER 4)	1 %	±0.5 %	0.2 %
VALUTA- UNDERSKUDET 5)	6) 10 MIA.	10.8 MIA	8 MIA

a) Great Disagreement on Danish Economy in 1984

b) 1984 economy

c) Industrial Council

d) "Wise Men"

e) Budget deficit

1) Unemployment

2) Economic growth

3) Private consumption

4) Private investment

5) Foreign exchange deficit

6) Billion

1156

CSO: 3613/62

CONFIDENCE SEEN IN COUNTRY GETTING SPECIAL EC TRADE STATUS

Copenhagen BERLINGSKE TIDENDE in Danish 20 Dec 83 Sec II p 3

[Article by Kermit Norlund]

[Text] Brussels--EC is on its way toward a free trade agreement with Greenland. Unilateral Greenland withdrawal was prevented. A member of the Greenland government is satisfied with the statements from other EC countries.

"Our talking and browbeating campaign has produced results. There is now movement on a number of the most important points concerning a satisfactory free trade and fishing agreement between Greenland and EC."

This statement was made by Foreign Minister Uffe Ellemann-Jensen in Brussels yesterday after the foreign ministers discussed Greenland's withdrawal from the Common Market. The Danish foreign minister stressed the preliminary work the foreign service has carried out in recent months. "'We have pushed, pressured and pestered the representatives of the EC countries on both the ministerial and bureaucratic levels in an effort to make them understand Greenland's position," Ellemann-Jensen said yesterday.

Prior to this it had been feared that the meeting would be so lacking in results that Greenland would declare a unilateral withdrawal this week. Government member Lars Emil Johansen said yesterday however that he felt the EC countries were now taking the withdrawal talks seriously, so that the other EC countries realize that Greenland intends to withdraw by 1 January 1985--with or without an agreement.

"It was especially positive to see how the fishing agreement last week caused some movement in the previously ultimatum-like German position. The Germans now feel positive that we can reach an agreement that will satisfy both us and the Germans," Lars Emil Johansen said yesterday.

During the meeting yesterday, Denmark emphasized that when it comes to the fishing agreement, Greenland's possibilities for development should be accommodated first and foremost.

And that is true whether total fishing increases or remains at the current level.

In the next few months the permanent committees will work out drafts of the texts for the free trade and fishing agreements, after which the foreign ministers will discuss the matter again.

6578

CSO: 3613/63

MINISTER HOPES CRYOLITE MINING CAN FINANCE INDUSTRY PROJECTS

Copenhagen BERLINGSKE TIDENDE in Danish 14 Dec 83 p 4

[Article by Michael Ehrenreich]

[Text] Money from cryolite can pay for new investments in Greenland. A joint Danish-Greenland company can pay for some of the normally very costly business investments, according to the minister for Greenland.

The government is considering allowing some of the revenues from the state's sale of stocks in the Oresund Cryolite Company to finance a joint Danish-Greenland company to promote investments in mineral exploration in Greenland, among other things.

Greenland Affairs Minister Tom Hoyem told BERLINGSKE TIDENDE this in the debate on the use of the roughly 500 million kroner that the stocks are estimated to be worth on the stock exchange when the stock sale gets under way during the first months of 1984.

"The government has not finished its deliberations on a joint company, but I am not opposed to going further with the idea which could help to guarantee the normally very costly investments in Greenland and at the same time utilize Danish experience in the mineral area," said Tom Hoyem.

The minister for Greenland dismissed the statements from Greenland government member Lars Emil Johansen that Greenland has a right to some of the revenue from the sale of the cryolite stocks.

"The company's assets are created to a large extent by investments in Danish firms and the economic agreements between Denmark and Greenland are regulated each year under joint agreements," said Tom Hoyem.

Lars Emil Johansen has pointed out that some of the revenue could be used to offset freight increases for Royal Greenland Trade (KGH), which has the prospect of a deficit of 65 million kroner.

"In the opinion of the government, the KGH transport activity should be self-sufficient and therefore it would just create new shortages in the years ahead unless we compensate for the deficit now by rationalization, savings or freight increases," said Greenland Affairs Minister Tom Hoyem.

LATEST ECONOMIC FORECAST BY FINANCE MINISTRY IS OPTIMISTIC

Helsinki HELSINGIN SANOMAT in Finnish 11 Nov 83 p 32

[Article: "Inflation Rate Next Year Perhaps Down to 6 Percent"]

[Text] Next year Finland has good opportunities to bring the inflation rate down to 6 percent, states the Finance Ministry in its most recent economic report. The consumer price index, on the other hand, will increase 9 percent at the most during the current year, and is on the average this year 8.5 percent higher than in 1982.

The belief in a slower inflation rate is based on the fact that in recent months the increase in prices has been slightly less than expected. It is estimated that the index will increase by approximately 6 percent from June through December.

However, the report points out that success in restraining inflation depends on our own solutions since international inflation -- in spite of the rising cost of certain raw materials -- will remain rather modest.

The Finance Ministry is particularly concerned about the forthcoming wage negotiations. According to the report in several quarters there are pressures which when relieved would bring a halt to the balancing of our economy which has now begun.

In the opinion of the Finance Ministry the wage front has presented demands for increases which exceed the increase in productivity and would weaken competitive ability. Inflationary solutions would result in a corresponding increase in farm incomes. If the income solutions are inflationary or the budget's expenditures are greater than the government's proposal, economic policy will now have to be made tighter than planned, warns the ministry.

A correct Policy

The Finance Ministry considers the economic policy it is carrying out to be in the right direction. The inflation rate is slowing down. The increase in domestic demand is slowing down and exports to the West have begun to increase. Also a long-term price agreement on wood supports stability and will somewhat improve the competitive position of the forest industry.



Key:

1. Unemployed job seekers
2. Job openings

Economic Upturn Has Begun

The most positive message from the report is that an economic boom resulting in increased exports to the West has begun in Finland and continues to become stronger. The Finance Ministry's barometer increased by three-fourths of a point and the economic indicator turned upward.

Finland's gross national product was 3 percent greater in the first half of the year than during the same period last year. The rate of production growth is at the same level.

Unemployment Will Remain

Growth was based on domestic demand, which has remained brisk, since the amount of exports continued to decline. Exports to Western markets have begun to increase perceptibly since the middle of the year while, on the other hand, the increase in domestic demand has become weaker.

The economic upswing has not yet been reflected in employment since the unemployment level in January--August was 0.2 percent higher than last year or 6.2 percent and the number of unemployed was 159,000. The average unemployment level for the whole year will rise to a slightly higher level than last year when it was 5.9 percent.

10576

CS0: 3617/42

SDP'S PESMAZOGLOU ON ECONOMY, EEC, PASOK POLICY

Athens I KATHIMERINI in Greek 1 Dec 83 p 8

/Text/ G. Pesmazoglou: "The Worsening of the Balance of Payments of the Country is Evident".

The parties and power factors of the opposition are expressing intense criticism for the course of the Greek economy and for the contents of the submitted budget. The president of KODISO /Social Democratic Party/, Mr G. Pesmazoglou, specifically, speaking to the foreign correspondents with subject "the Greek economy and the European Community", supports that "the worsening of the balance of payments of the country is due primarily to the general drop in productivity and competitiveness. The decisive responsibility", he said, "for this situation belongs to the government". Former minister, Mr Milt. Evert, during his announcement yesterday regarding the budget, supports that "the projected rate of increase in expenses being only 19% is not realistic". A similar announcement on the budget was made by the Liberal Party.

Mr Pesmazoglou stated the following in his speech.

"The Greek government has the tendency to put the blame on the European Community to a certain degree for the worsening of the Greek economy and especially the balance of payments. This tendency, that is supported by the KKE, comprises another expression of the same negative stand toward the European Community. But the unfavorable development of the balance of payments concerns the transactions of the country with the whole world, not only the European Community. Consequently, the reason is mainly indigenous and not exogenous. Of course, the pursuit of rights and the projection of Greek demands by the Community is another matter. These matters, however, are neither accounting nor technical matters. They are connected with unifying reformatory procedures in the Community that assume that the weight is given to the political cooperation among the member countries.

"The increase in the shortage of the balance of payments is not due to the situation created by joining the Community since:

"1. The general increase in the shortage of current transactions is evident, if the deposits from the treasuries of the European Community are not taken into consideration. The basic shortage, after taking into consideration the input of ca-

pital besides the offsetting loan for the final balancing of foreign transactions, as a percentage of the gross national product, reaches almost 1% for the years 1980 and 1981, 4% for 1982 and 5% for 1983 with the prospect of going up to 5.5% for 1984. The respective percentage for France, for instance, was about 2.5% for 1981 and has steadily decreased the following years. This development is due to the fact that there is no systematic orientation in Greece towards a policy for an open economy in contrast to what is happening to all the interior European countries.

"2. Despite the general drop in the value of exported goods in 1982 and 1983, their reduction in regards to the European Community was smaller. The percentage of the participation of exports to the EEC on the total Greek exports has increased in 1982 and 1983. The respective percentage of exports to Eastern European countries remains about the same.

"3. The increase in imports from the European Community is due mainly to the substitution of the import of agricultural products from third countries because of the preference secured by the Common Agricultural Policy. The protective duties for handicraft and agricultural products had started to drop since 1962 when the agreement to join took effect. By the end of 1980 they reached 1/3 of the 1962 level. Later drops from 1 Jan 81, when the agreement to join started to apply, were about 3 additional units per year. In other words, the reduction in protection was insignificant. In addition, with the change in the method of calculating duties that was established in 1982, the effective protection was increased significantly.

Consequently, the worsening of the balance of payments of the country principally is due to the general drop in productivity and competitiveness. The decisive responsibility for this belongs to the government.

The planning and application of a three year transitory plan to improve the Greek economy should have been the first priority of the PASOK government. The possibility of avoiding the impasse was always there".

Mr Milt. Evert

In his statement concerning the budget, Mr Milt. Evert said the following among other things:

"The following observations are the result of an analysis of the specific facts:

"1) The report recognizes that this year, just as in 1982, there is a stagnation in the national income. Specifically, the report recognizes that the handicraft and industrial production in 1983 was even less than the production in 1981. Furthermore, the agricultural product of 1983 will be even smaller than the one in 1981. These facts alone show that with PASOK the supply of goods in 1983 is smaller than that of 1981.

"2) The report recognizes that during the two years of PASOK rule, unemployment has doubled and has reached the number of 300,000 persons. The truth, however, is worse since the unemployed are over 330,000.

"3) The report recognizes an inflationary rate of 21%, while an inflation of not more than 18% was being planned. This way, the inflation in Greece is about four times as much as the respective inflation of OECD and about three times as much as the inflation of EEC countries. This means that the competitiveness of the Greek economy became worse significantly under PASOK rule.

"4) The report recognizes that the buying power of wage earners in 1983 was reduced by 5%. This means that in 1983 this happened despite the much publicized ATA /Automatic Cost of Living Adjustment/ that turned out to be an Automatic Cost of Living Drain on the wage earners' income.

"5) The report recognizes that the shortage in the balance of payments abroad will be 2,200 million dollars this year as opposed to 1,900 million dollars in the 1982 level that Mr Arsenis until recently claimed would be maintained this year also. And such a bad development, despite the extended recession of the Greek economy.

"There is no need for presenting more equally unfavorable statistics for the Greek people to realize the tragic condition of the Greek economy.

"Budget

"Despite the fact that during the two years 200 billion drachmae in new taxes were imposed and the prices of the services of the public organizations and enterprises increased from 35% - 110%, the shortages of the public sector in 1983 went over 530 billion drachmae and will go over 600 billion drachmae in 1984.

"Account for 1983

"From specific facts in the report, the total shortage in the public sector comes to 495 billion drachmae in 1983 (Regular 180, Investments 161, Public Companies 134 billion, Oil Products 20 billion drachmae.).

"Regular Budget

"Specifically, the shortage of the regular budget for 1983 was estimated by the government to be 129 billion drachmae. Now the government estimates it will come to 180 billion drachmae.

"The truth is that it will go over 200 billion drachmae, because it is not possible to increase the rate of income by 28% when up to the present time according to official figures it has reached 25%. This difference of 3% gives us a difference of 18 billion drachmae.

"Finally, the report does not mention the account of the oil products that will leave a shortage of 20 billion drachmae, nor does it add this to the total shortage.

"1984 Budget

"The estimated rate of increase in income for 1984 by 25% should be considered rather feasible under the unfortunate premise that inflation in 1983 will increase by 22%. What is outside every reality is the rate of increase in expenses that are expected to increase by only 19%.

"Expenses will certainly go over 1140 billion drachmae and consequently, the shortage of the regular budget will go over 230 billion drachmae as opposed to the 166 billion drachmae estimated in the report.

"In regards to the estimated shortage of the budget for public investments in the amount of 200 billion drachmae, it is noted that it has over 45 billion drachmae from interest bearing bonds. Consequently, we are not dealing with a real increase in public investments.

"As for the public companies, it must be expected that despite the increase in the prices of the services, the shortage will be over 165 billion drachmae. This means that the total shortage for 1984 will go over 600 billion drachmae. That is as much as the entire budget of the country for 1981 and more than double the shortage of 1981 despite the new taxations".

The Liberals

The announcement of the Liberal Party includes:

"The budget submitted by the minister of Economy to Parliament is insincere, socially unjust, antidevelopmental and unfortunately reflects faithfully the ailment of the Greek economy in recent years.

"Its insincerity lies in its failure to inform the citizen about the height of the tax burden he will be subject to or about the height of the wages that will come about for workers.

"The much publicized tax reliefs are insignificant and without objective, because their effectiveness is neutralized by the tax burden that is coming for the middle and higher incomes on the basis of the new tax scale that is being defined in a bill that accompanies the budget.

"With this meaning, the budget is socially unjust. And it is preeminently unjust because again the tax burdens in their greatest part are hurting the wage earners and pensioners and to a lesser degree the other income categories. Furthermore, according to facts in the budget, increases in the prices of Public Organizations and companies should be expected as well as increases in liquid fuels.

"The economy of our country has been caught in a recession and in a 'narrowing' from which no way out appears any more".

ATHENS CHAMBER OF COMMERCE ON 'BLOWS TO INDUSTRY, TRADE'

Athens I KATHIMERINI in Greek 6 Dec 83 p 9

/Text/ The Problem of the Economy will become Acute with the Socializations

"With much sadness we observe the repeated blows to Greek industry and trade. Many units interrupt their operation, either by deciding to dissolve the company, or by placing the personnel on call, while others are led to deprivation of their management and are being transformed from private to socialized businesses."

This is what the president of EVEA /Athens Chamber of Commerce and Industry/, Mr L. Efraimoglou said. He added:

"These developments are heavily damaging the owners of these units, but it is a terrible fact that the workers are especially hurt, both those under salary and laborers and generally the economy of the country with long term unfavorable results. The consequence of this is the decrease in working slots, both immediate or within a short period of time, the decrease in production and consequently the increase in imports and decrease in exports with a negative result in the balance of payments that in both cases are felt intensely by the social total. And all these have multiplied results on the economy, one of which is the decrease in the income of the Public Budget that is accompanied by additional tax burdens on the total of the population or less social grants.

"We find ourselves under conditions whereby the majority of the businesses are operating with damaging results. The high interest, the increase in drachmae needed to pay off debts because of the devaluation of the drachma, the special taxes on capital, the regulated fixing of prices domestically despite the great increases in cost factors, the drop in productivity and other reasons mainly have created the present situation.

"We do not have a precedent of the government taking over the management of a company that results in operating at a smaller cost. Furthermore, it is not possible to have the experience, motivation, business ability and immediate decision making of the private business man replaced by any abilities whatsoever of the appointed government official who does not have either the long term experience in the business or the knowledge of the domestic and international market conditions. With goodwill alone and some theoretical knowledge, the dif-

difficulties of economic reality cannot be overcome and especially when the officials are dependent for their positions on factors that are not related to the successful or not execution of their duties. In addition, no multiple person and made up of different types Board of Directors will assume the responsibility for the risks in expanding in new markets, new products, renovations and generally decisions with uncertain results that are necessary, however, under the conditions of international competition that we live in.

"We are afraid that instead of having creative profitable businesses that will produce internationally competitive products and will pay taxes, we will have businesses that will be subsidized by the social total. And if we industrialize our country, with what kind of production will we create the income that we had until yesterday? Who will support those occupied in the Public and socialized sector who are constantly multiplying?

"We know that the solution of the problems is very difficult, but we believe that their confrontation will bring better results if we all focus on the real results.

"And the problems, however, are not solved beneficially with opposing 'camps' facing each other, but with cooperation, dialogue and realistic solutions that are economically correct.

"Our duty imposes that we call attention to all the workers, laborers, salaried persons, business men, and to all the citizens in general the results that the present facts will have on the future of us all".

9346

CSO: 3521/110

GOVERNMENT GOALS IN SCIENCE, TECHNOLOGY FIELDS

Athens I KATHIMERINI in Greek 9 Dec 83 p 15

/Text/ The basic target of the scientific and technological policy is the creation of an institutional, material technological and human substructure for a versatile system that will be able to respond successfully to the needs of the country. The Minister of Research and Technology, Mr G. Lianis, pointed this out yesterday at a Greek/American meeting he attended with representatives of companies of the electric appliance and electronic products industries, such as General Electric, Kaiser, Bendix etc. The purpose of this meeting was to have the Greek minister present the general policy of YPET /Ministry of Research and Technology/ on subjects of research and technology and specifically on the transfer of technology.

"The most important policy measures that are described in the Five Year Plan deal with the substructure and the legal framework, the scientific and technological activities, the encouragement of innovations, the international scientific and technological cooperation as well as the transfer of technology".

The materialization of all of these targets requires the radical reform of the institutional framework and the increase of funds that are made available from .2% in 1982 to .8 of the GNP in 1987.

Finally, Mr Lianis emphasized that the present government gives special attention to the development of scientific and technological research and to the continuation of industrial production in the sectors of microelectronics, of biotechnology, and of the renewable forms of energy.

9346

CSO: 3521/113

BILL INCREASES GOVERNMENT MINING INTERVENTION

Athens I KATHIMERINI in Greek 9 Dec 83 p 15

/Text/ Government intervention is increased with various procedures for the exploitation of mines and precludes the exploitation of other ores of strategic importance, such as nickel, chromium, lead and zinc, by private companies.

The new principles mentioned above are included in a bill drafted by the Ministry of Energy and Natural Resources that deals with the modification and modernization of the Ore Code.

More specifically, the bill for a new legal framework on ore and the exploitation of ore wealth provides for the following:

Shortening the period of leasing mines, because the 99 years that are provided for at the present time are considered unrealistic.

The termination of the period of the lease for mines with the termination of the firmans that granted it.

The establishment of a special tax for the OTA /Organizations of Local Self-Government/ that those exploiting the mine will pay to be given a license to search for ore.

The obligation of the mine owners to search for ore deposits, so that the ore deposits in the country will become known.

The replacement of the presently projected economo-technical study with a feasibility study that will become the basis for granting the mine.

The provision of the potential to the Minister of Energy and Natural Resources to restrict the mine area being granted according to the deposits that will be discovered.

A three year extension for licenses to search for ore under certain circumstances.

A review every 2 years and not every 3 as it is at the present time to see if the mine operators are performing well.

Clarifying the meaning of ore research.

Eliminating the middlemen in the search for ores or the exploitation of mines.

The Quarries

To deal with the problem of disturbing the environment created by quarry installations. The Ministry of Energy and Natural Resources, according to yesterday's statement by the Minister of Energy and Natural Resources, Mr E. Kouloumbis, is supporting the concentration of quarry activity of every nome in properly chosen locations. It stated that the relative procedures to identify the quarry areas are proceeding at a fast pace and quarry areas have been identified with joint decisions of the Ministries of Public Works and Energy and Natural Resources for the following 16 nomes:

Lasithion, Argolis, Maginisia, Zakynthos, Ioannina, Korinthia, Larisa, Khandia, Drama, Xanthi, Serrai, Kavala, Thessaloniki, Khalkidiki, Messinia and Kilikis.

According to the statement, quarry areas in the remaining more problematic nomes will be identified by the end of 1983.

The new bill also deals with the subject of importing industrial ore and rock that industry will use and that our country produces.

2.5 billion drachmae are expended every year for the importation of these industrial ores.

9346

CSO: 3521/113

PLANS ADVANCING FOR START OF OIL SEARCH OFF WEST COAST

Copenhagen BERLINGSKE TIDENDE in Danish 21 Dec 83 p 6

[Article by Peter Kjelstrup]

[Text] The seals still live peacefully off Konstabel Point. But plans to search for oil along the west coast of Greenland are now so advanced that the first tractors can start building bases as early as this spring.

A Hercules plane will land in Mestersvig with two caterpillars, or D7 tractors as they are also called, as early as March. In April the two caterpillars will start their engines and begin driving due south. The route has been determined in advance. They will pass Malmbjerget and then go directly down through Jameson Land. The goal is a little point in a small fjord northeast of Scoresbysund. Konstabel Point in Hurray Fjord.

The course is set. The adventure can begin.

Konstabel Point can be found on a good map of the Scoresbysund area. Just as Prudhoe Bay on the north coast of Alaska could be found on local maps over a decade ago. And was known only to hunters and the sparse local population.

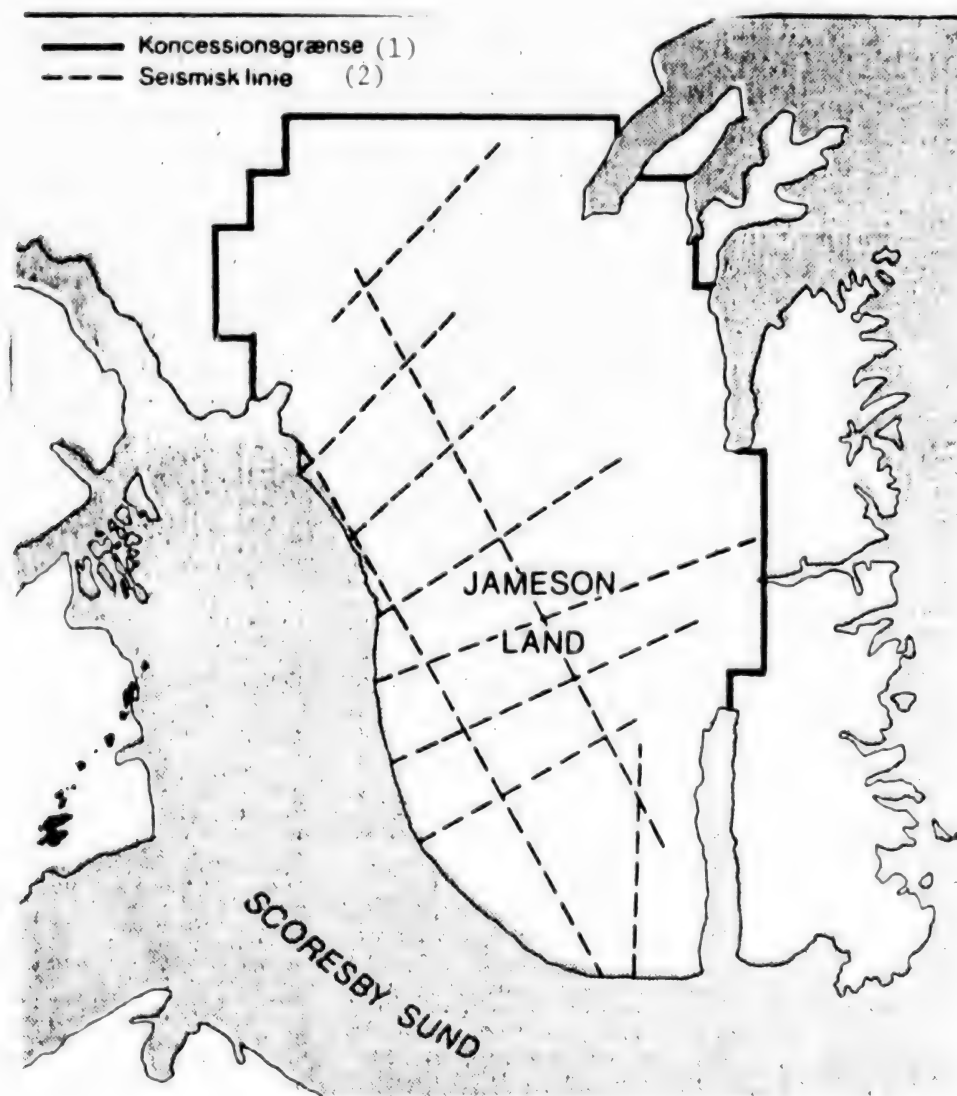
Today Prudhoe Bay is known to everyone connected with the oil industry. It was there that the first big Arctic oil field was found. Later, one of the most fantastic structures of modern times was built from there, the pipeline across the Alaskan wasteland. But before that, they went through one of the most remarkable discussions of what effects the massive oil find and the subsequent pipeline would have on the entire Arctic landscape.

Search for Oil

Konstabel Point is the first new name in what is hoped will be a new Prudhoe Bay. The search for oil in Jameson Land.

The Nordic Mining Company has the concession rights. And together with one of the oil companies behind the Alaska find and the pipeline, Atlantic Richfield Company, better known as Arco, Nordic will now start charting the possibilities for finding oil in Jameson Land's virgin subsoil. The tractors will start work in the spring.

The first goal is to build a depot somewhere near the coast. But the question of where to locate this depot promises to be the first big problem, since a possible clash with environmentalists can already be foreseen.



The map shows the routes the seismic investigations will follow to get as good a picture as possible of the subsoil.

Key:

1. Concession boundaries

2. Seismic lines

Depot

The depot will naturally form a base for the growing activity predicted in the 9,000 square kilometer concession area. On 10 June the first tents will be raised for those who will build the permanent camp. And on the same date ships will depart from North America and Denmark with large quantities of seismic equipment, supplies and material for building the depot. And 10 days after that the ships will arrive in Hurry Fjord. They can start unloading the equipment at Konstabel Point. The oil people will have taken over Jameson Land.

The plans are ready. An agreement on the concessions and terms is just about ready. The machinery is ready. The only thing left is to get the necessary approval from authorities in Greenland and Denmark.

By 1 October the depot will be built and three men will stay behind on the point. They will be there on their own for the rest of the year, looking forward to New Year's Day 1985 when they will receive guests. The "winter exploration team," as the comprehensive plan worked out by the mining company and Arco so elegantly puts it, will arrive on the point. They will start work laying out the routes for the seismic studies and then conduct them. Detailed maps will be made of the composition of the subsoil, of how the various rock layers lie in relation to each other in the hope of finding the perfect combination for what it is all about. Drilling for oil.

Combination

The perfect combination, as it is every other place where oil and gas are sought and found, is a rock layer where it is known that oil and gas have been formed in the course of time. Located under a layer that is strong enough to hold onto these hydrocarbons that would otherwise have emerged and escaped millions of years ago. And this dense layer must fold or bulge in such a way that a kind of inverted pocket has been created where the oil and gas can collect.

The problem then is simply to drill straight down into this pocket and then hope that all the calculations work out. That there is oil there.

According to the plan, the first real drilling will occur in the winter of 1985-86. With some reservations, however. The first drilling may not take place until a year after the seismic studies are made. In that case, the first drilling would take place in the summer of 1986.

Alternative

The oil companies are getting used to overcoming local skepticism and resistance to oil explorations and in particular to oil extraction. They are getting used to meeting a long list of conditions set up by local authorities with respect to the environment. And that is why Arco and Nordic Mining have already worked out an alternative plan if Konstabel Point is not allowed

to become a minor parenthesis in the history of the quest for oil. The Scoresbysund town council is not very enthusiastic about having heavy ship traffic going by their town and into the sound. Fears that whales, seals and fish populations will be disturbed weigh heavily in the fishing community. For this reason Arco took the Scoresbysund municipal council along when the Joint Council on Minerals in Greenland was invited to see how things were going in northern Alaska. This included a meeting with the local population. This did not produce the desired result. The municipal council is still opposed to using the Scoresbysund complex as a base or landing port.

Therefore the companies have also worked out a preliminary alternative plan based on flying all the material into the middle of Jameson Land. The extra costs will be 1.5 million kroner.

Other Base Possibilities

Extensive studies have also expanded the list of possible locations for a base by another three suggestions at the very least.

And the question of how seals will react to the noise from helicopters will also be cleared up.

The trip to Alaska achieved one concrete result. The Joint Council decided at a meeting in Alaska that the "stepped-up" timetable should not be implemented with reference to the base studies.

DONG and State Company

A quite different and more prosaic question that has not been answered either is who should really represent the "state." According to the preliminary concession terms, the state company will be part of the consortium with a 25 percent share as early as the exploratory phase. This percentage can grow to 50 percent if good finds are made. But the state company, which is owned half by Denmark and half by Greenland, definitely does not look like DONG [Danish Oil and Natural Gas]. Thus it has been made clear several times in the Greenland government that the Danish-Greenland state company's connection with DONG can be a straight service agreement and one of limited duration at that, and that the state company is not committed to getting its expertise from DONG but can look freely for it elsewhere.

They "visualize," as Prime Minister Jonathan Motzfeldt put it, "that at least for a number of years there will be a cooperation on carrying out this public participation between the Danish-Greenland company and the DONG organization known as DOPAS [DONG production company]. This cooperation could be established through a so-called service agreement."

DOPAS is DONG's production company that will join the Danish consortium that will go out and search for oil and gas in the parts of the North Sea that were conceded back by A. P. Moller.

Atlantic Richfield is one of the concession applicants here.

6578

CSO: 3613/63

MINISTER ON GREENLAND AFFAIRS COMMENTS ON DRILLING PLANS

Copenhagen BERLINGSKE TIDENDE in Danish 23 Dec 83 p 9

[Article by Greenland Affairs Minister Tom Hoyem]

[Text] On 21 December, BERLINGSKE TIDENDE published an article on the plans to start looking for oil on Jameson Land in East Greenland. The article did an excellent job in describing some of the special conditions in this area and their influence on the practical implementation of exploratory activity.

The article also mentioned the possible conflicts with the local fishing and trapping population which are a factor that has led to ongoing evaluations and considerations of whether a supply base could be set up for the companies' exploratory activities that could receive ship traffic in the ice-free summer months and if so where it should be located, or whether the activity could be based on flying in materiel, etc. (the companies say the latter possibility would cost around \$1.5 million--and not 1.5 million kroner as the article stated--more than what the more advantageous ship-based alternative would cost).

The article warrants a few comments. Among other things I think it should be quite clear that the plan described in the article, calling for a start of "mobilization" plans just a few months from now is the "stepped-up" timetable that the Joint Council on Minerals in Greenland decided should not be implemented at its recent meeting in Alaska. However this does not mean that the Joint Council has rejected implementation of oil activities in the area--on the contrary--it simply means that they want to proceed according to the "normal" plan under which a final political stand on the entire matter would be taken in the spring of 1984, so that a new concession agreement could be signed in May-June 1984. Not until then could the search get under way in practice.

With respect to the local population's attitude toward the plans, I think it should be mentioned that the Scoresbysund municipal council (with the exception of the mayor) told Greenland Radio on 20 December that they were not (as previously stated by the mayor) opposed to implementing the search for oil or possible oil production in the area. According to the statement the council is definitely opposed to using Konstabel Point as the location

for the supply base and has indicated other possibilities, but according to the statement the council is otherwise strongly favorable to the oil activities with reference to the possibilities they could provide in the long run for helping out with Greenland's economic and employment problems.

As mentioned above, the final political decisions in Greenland and Denmark will not be made before the spring of 1984. In the meantime, work is continuing in the joint Danish-Greenland council to clear up specific details concerning several other matters. One of them is setting up the stock company owned jointly by the Danish state and the home-rule government of Greenland that will look after the state participation in the oil enterprise.

However there seems to be broad agreement between Denmark and Greenland on all the major principles involved in resuming the search for oil in Greenland and the basic principles have also been negotiated with Arco and Nordic Mining, Inc. Therefore there is good reason to expect that the concession can be signed in May-June 1984.

6578

CSO: 3613/63

RESUMPTION OF OIL BUYING FROM IRAQ IS POSSIBLE

Helsinki UUSI SUOMI in Finnish 2 Dec 83 p 23

[Text] "Finland is ready to begin buying oil again from Iraq, if the latter is able to deliver its exports," said Ulf Sundqvist, chairman of the board of directors of Neste, Thursday, upon the return of the Finland-Iraq Society from a three-day trip to Baghdad.

"Iraqi exports have been at a standstill for several years because of the war it is waging with Iran. Now, however, Iraq is gearing up to resume its oil trade with foreign countries. Two new pipelines are scheduled for completion in 1985, and these will make it possible to begin exporting again," added Sundqvist.

As recently as 1980 Iraq was one of Finland's biggest suppliers of Western oil. Its share of Neste's crude-oil imports was eight percent, or 920,000 tons.

The delegation headed by Sundqvist met with the Iraqi prime minister, the minister of construction and the minister of light industry. The discussions also touched upon the tardiness of Iraqi payments and problems in connection with the transition period before which the country will once more receive foreign currency from its oil revenues.

According to Sundqvist a practical solution to the problem needs to be found. He considers the inconveniences in connection with payments to be minor, when the overall scope of our Iraqi exports is taken into account.

12327

CSO: 3617/57

BALANCE SHEET ON IMPORT, PRODUCTION OF ELECTRICITY

Istanbul DUNYA in Turkish 24 Nov 83 p 3

[Article compiled in DUNYA News Center; firm names and abbreviations as published]

[Text] Energy and Natural Resources Minister Fahir Ilkel said 1.7 billion kilowatt hours of electricity will be imported in 1984. Ilkel explained that water levels at the dams had not reached the desired level despite the wet weather because it had come late and said that it was necessary to import more electricity than ever before next year.

In a statement to DUNYA, Energy and Natural Resources Minister Fahir Ilkel said Turkey's energy problem is growing every day and the purchase of even more electricity abroad was a temporary effort to resolve the problem. Ilkel explained that the needed water levels at the dams were not expected to be reached because the rains started late and that in mobilizing all resources to keep industry running more electricity than ever before would be imported. Referring to the total of 1.4 billion kilowatt hours of electricity which had been imported from Bulgaria and the Soviet Union in 1983, Ilkel said, "We have agreed in principle to purchase more electricity from these nations. Contract negotiations are in progress for the purchase of a total of 1.7 billion kilowatt hours of electricity in 1984."

Noting that Turkey has had an energy problem for a long time, Energy and Natural Resources Minister Fahir Ilkel explained that there would be no radical solution to the problem before the new dams start production.

Pointing out that industrialists wanted to mobilize all resources to increase energy imports, Ilkel said, "Our state is using all opportunities available to keep Turkish industry running. In conjunction with this exertion by the state, our industrialists must be careful to exercise the necessary energy conservation. Energy conservation by industry has more impact than individual conservation.

Stations to Come on Line in 1985

Cayirhan thermal station, scheduled to begin production in 1985, has a production capacity of 1.8 billion kilowatt hours. The station's turbo-generator facilities are being built by Mitsubishi, the steam generators by SGP of Austria, the thermostat systems by Siemens, engineering services by SGP-VPL of Austria and

mechanical assembly by Guris Construction and Engineering Corporation and Sun-Tek Heavy Thermal Industry Corporation [latter two are Turkish firms].

The Yenikoy thermal power plant, to produce 2.5 billion kilowatt hours a year, is scheduled for completion in 1985. The station is being built by Elektrim of Poland.

The third unit of the Yatagan thermal power plant, the first two units of which are in operation, is due for completion in 1985. Its annual capacity is 1.2 billion kilowatt hours of electricity, and it, too, is being built by the Polish Elektrim firm.

Construction is 90-percent complete at the Kangal power plant which is to begin production in 1986. The plant's steam generators are being built by the Hungarian firm Transelektro, the control systems by Siemens and the switchboard and high voltage power substations by the French firm Cogalex. The plant will produce 1.8 billion kilowatt hours of electricity a year.

Capacity at the Orhaneli thermal powerplant, to begin production in 1986 also, is on the books at 2.5 billion kilowatt hours annually. The feasibility study for the plant, being built within the framework of the Turkish-Soviet Economic and Technical Cooperation Agreement, was done by the TECHNO PROMEXPORT firm. The Soviet Union provided credit in the amount of U.S. \$53 million for the station.

Thermal Power Plants Under Construction

Station	Completion	Total Investment	Expenditure*	Capacity (Billions kwh/year)
Afsin-Elbistan	1984	179.960 (118.550)**	308.234 (214.423)	7.9
Yeni Catalagzi	1984	27.000 (13.700)	13.827 (9.548)	0.9
Keles	1984	43.000 (14.750)	292 (77)	1.2
Total		249.960 (147.000)	322.353 (224.048)	9.2
Cayirhan	1985	49.000 (28.000)	46.849 (34.373)	1.8
Yenikoy	1985	75.000 (37.000)	17.585 (10.030)	2.5
Yatagan 3	1985	30.000 (7.000)	15.510 (8.740)	1.2
Total		154.000 (72.000)	79.944 (53.143)	5.5
Kangal	1986	50.000 (26.000)	32.218 (21.704)	1.8
Orhaneli	1986	34.500 (16.600)	8.561 (5.381)	2.5
Total		84.500 (42.600)	40.779 (27.085)	4.3
General Total		488.460 (261.600)	443.076 (304.276)	19.7

*Expenditures through the end of June 1983 based on 1982 prices [currency and denomination not specified; presumably millions of Turkish liras].

**Figures in parentheses show foreign financing.

8349

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TOXIC SUBSTANCES DETECTED OFF ELEVSINA

Athens TA NEA in Greek 29 Nov 83 p 1

/Text/ Toxic phenols, such as the especially toxic hexavalent chromium were found for the first time in the sea of Elefsina during the measurement taken by the pollution control station that was formed by the Municipality of Elefsina.

The station was formed in a first phase to measure the pollutants in the sea and the liquid wastes of the industries as mentioned in a respective announcement. The toxic phenols were found in the sea area of Petrola and at the stream of Agios Georgios.

Measurements were also taken:

At the Aspropyrgos refineries, at the steel mill area, at the Kronos industrial area (where the BOD5 reading is three times greater than the average) and in other locations.

Specifically, at the steel mill area, it was found that the sea had the familiar color of rust over a large area, while the suspended solids were 36,186G/L, a reading 720 times greater than the average in the gulf of Elefsina!

To cope with these problems, the Municipality of Elefsina is calling a meeting on Wednesday at 7 p.m. at the Civilization Club with the appropriate representatives of the area.

The following subjects will be examined:

The pollution of the environment in Elefsina at the present time.

The first results of SELER /Pollution Control Station/ measurements in the Thriasio Plain. (Let us note that the expense for equipping the station reached three million in 1983.)

A critique of the bill for the environment drafted by YKhOP

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